**Questions and Answers**:

**Q: If you have a $100 room rate, would there be a $2.00 TPID fee? And would the combined $102 be subject to the 17 percent in local and state hotel occupancy taxes?**

**Answer:** Yes, on a $100 room rate, there would be a two percent TPID Fee and that would amount to $2.00. The combined $102 would all be subject to the 11 percent city hotel tax and the 6 percent state hotel tax. It is important to note that the TPID fee is two percent of whatever the room rate charges are; it is not a set dollar amount per night. For example, if your room night charges are $349 per night, the 2 percent TPID fee would be $349 multiplied by 2 percent or $6.98.

**Q: Does the TPID fee apply to meeting room revenue?**

**Answer;** No, the TPID fee only applies to taxable room night revenue. Meeting room revenue is not considered “sleeping room” revenue and therefore is not subject to local hotel tax. Because meeting room revenue is not subject to local hotel tax, it is also not subject to the local TPID fee. On a separate note, in most cases, meeting room rental is subject to state hotel occupancy tax, but again that does not make the meeting room rental subject to the TPID fee.

**Q: How will TPID payments be remitted/paid to the city?**

**Answer:** The TPID payments will be remitted to the City in the same format that local hotel tax is remitted to the City, on a quarterly basis using the same schedule, the same technology, and the same local hotel tax forms that the City of Austin will use for collection of local hotel tax. Of course, the electronic and paper forms will be adapted to include the TPID assessment. For further information, the hotels should contact the City Finance Department at [hotels@austintexas.gov](mailto:hotels@austintexas.gov) or by phone at (512) 974-2590. It should be further noted that, the TPID assessment will NOT be collected with the payment of annual property taxes and has nothing to do with the property tax collection process.

**Q: Is the TPID assessment a yearly assessment, quarterly assessment, or monthly assessment?**

**Answer:** The TPID is remitted quarterly along with the payment of local hotel tax. The assessment is calculated as 2 percent of the “gross taxable hotel room night revenue” for each quarter.

**Question: What happens if district hotels do not collect the TPID fee; what are they expected to pay the city?**

**Answer:** TPID hotels are liable for remitting to the city each quarter 2 percent of their “taxable gross room night revenue” to satisfy the TPID “assessment.” This amount is due whether or not the hotel collected a TPID fee from the guest.

**Question: What happens if the room night charge is exempt from local hotel tax such as guests with exemptions for over 30-day stays, guests who are exempt as federal travelers, or state agency travelers who are exempt from local hotel tax?**

**Answer:** In the case of federal travelers, state agency travelers who immediately claim the local hotel tax exemption, and other immediately exempt guests, the hotel would not collect a TPID fee on the exempt local hotel tax room night revenue.

For over 30-day stays, if the guest pays in full for all 30 days and the payment is not subject to refund, the guest would be immediately eligible for a local hotel tax exemption for their first 30 days and for any additional consecutive days of their extended stay.

However, for some over 30-day stays, the guest may pay night by night or week by week and they may not end up staying the full 30 days. In such cases, the local hotel tax and the state hotel tax, as well as the TPID fee should be charged for each night until the guest has stayed 30 days, and on Day 31 of their stay, the hotel can refund the local and state hotel tax, and the TPID Fees to the guest folio. For every subsequent consecutive night of the extended stay after Day 30, the state and local hotel tax, as well as the TPID fee should not be charged to the guest.

**Q: How do you treat a traveler such as a charitable entity guest who is exempt from the state hotel tax but is not exempt from the local hotel tax; are they exempt from the TPID fee?**

**Answer;** The TPID fee application has nothing to do with whether the state hotel tax applies to the stay. In other words, the fact that a charitable entity guest is exempt from the state hotel tax would not impact the liability of that guest to pay both the local hotel tax on their stay and the TPID fee on their stay. Accordingly, the charitable entity guest would be exempt from state hotel tax, but they would pay local hotel tax and the local TPID fee on each night’s stay.

**Q: How do we treat a guest that will stay for over 6 months and is in essence a short term rental?**

**Answer;** As noted above, if the guest has an over 30-day reservation, and they prepay for each 30 day period, and the payment is non-refundable, you do not need to collect state or local hotel tax or the TPID fee. However, if the guest pays night to night, or week to week, or if the guest could check out earlier than a full 30 days, then the hotel should first charge the hotel taxes and TPID fees for the first thirty days of the stay and only refund the taxes and TPID fee once the guest qualifies for the over 30 day exemption (on day 31 of their stay). After the first 30 days, all subsequent consecutive days of a guest stay can be treated as exempt from state and local hotel tax and TPID fees.

**Q: If the room night is booked before January 1, for a stay before April 1, 2025, should the hotel have charged the 2 percent TPD fee?**

**Answer:** No, TPID fees only apply to hotel stays on April 1 or thereafter.

**Q: If the room night is booked before January 1, for a stay on or after April 1, 2025, should the hotel have charged the 2 percent TPD fee?**

**Answer**: Any reservations that were made prior to January 1, 2025, even for stays after April 1, the guest would not be subject to the TPID fee.

**Q: If the room night is booked on or after January 1, for a stay on or after April 1, should the hotel have charged the 2 percent TPD fee? Does it matter if the guest prepaid for the reservation?**

**Answer:** The TPID was created effective January 1 and the two percent assessment applies to all reservations made on or after January 1, 2025 for room night stays that are on or after April 1, 2025.

**Q: How do you treat groups that book at your property for a stay that may begin in March but the stay extends past April 1; would the hotel need to create two folios to address the different application of the TPID fee for the nights in March of 2025 versus the nights in April of 2025?**

**Answer:** For groups or individual guests who book for a stay that takes place partially when the TPID fee is not in place (prior to April 1, 2025) and partially when the TPID is in effect (April 1 and thereafter), it would make sense for the hotel to create two folios, one for the portion of the stay that is exempt from the TPID fee and one for the portion of the stay that is subject to the TPID fee. But it is possible that hotels may have alternative methodologies that they prefer to use to address this scenario.

**Q: If we have an annual contract that was executed prior to January 1, 2025 for rooms (e.g.; airline crew) and the contract did not include or allow for the TPID fee, are we exempt from the TPID fee and what about the future years for the contract?**

**Answer:** Your annual room contract that was executed prior to January 1, 2025, would be exempt for the year noted in the contract if the contract does not allow for an additional fee to be added (e.g.; does not have a clause that provides authority of the hotel to add on any applicable taxes or fees that are in existence at the time of the guest stay). For any contracts or extensions of contract that allow the hotel to apply the taxes and fees that are applicable at the time of the guest stay, the TPID fee would be applicable regardless of when the contract was executed. For contracts that are executed on or after January 1, 2025, the TPID fee would also be applied.

**Question: What happens if a customer refuses to pay or objects to payment of the TPID charge?**

**Answer:** It is up to the hotel whether to mandate the payment of the TPID fee by the guest. That being said, the hotel is liable for the TPID fee amount whether the guest pays it or not.

**Q: What language should be on the folio regarding a TPID charge?**

**Answer:** State law does not provide mandatory wording for a pass through fee for the TPID. We suggest the fee be labeled Austin TPID Fee or Austin Tourism PID Fee or Austin Tourism PID Recovery Fee. Further, we would urge hotels to list the Austin TPID fee with the guest room charges and not group the fee with the room night taxes. Further, it is vital that the TPID fee not be labeled as a tax since it is not a tax.

**Q: If a hotel files its hotel tax remittance online; do we need to file TPID fees online as well, or will we get an invoice?**

**Answer:** The TPID remittance will be made online each quarter along with your local hotel tax payment through the exact same process and schedule. The online system will breakdown the local hotel taxes that are due and the TPID fee that is due, and then the system will ask the hotel to make one cumulative payment amount that quarter that will be include both the hotel tax amount and the TPID fee amount.

**Q: Does the TPID fee apply to a destination fee, resort fee, cost recovery fee, or urban fee?**

**Answer:** The TPID fee applies to any mandatory fee that is added onto each room night charge by the hotel. Accordingly, the TPID fee would apply to resort fees, state cost recovery fees, and any other mandatory nightly fee that is considered room night revenue that is subject to the local hotel tax.

**Q: If a guest has already pre-paid for a room in the future, are they exempt from this 2% TPID fee?**

**Answer:** If a guest prepays for a hotel night prior to January 1, 2025, they are exempt from the TPID fee. If the guest prepays for a room after January 1, 2025 for a room reservation after April 1, 2025, the TPID fee would apply in most cases. We are seeking clarification from the Austin City Law Department on whether the TPID fee would apply to guest stays that are booked after January 1, 2025, but they are under a group room contract that was executed prior to January 1, 2025, and the contract did not allow for an adjustment of the applicable taxes or fees.

**Q: Will there be an example provided by the City of the back-up that hotels will be required by the City to submit for a “prior contract” exemption for groups that were contracted prior to January 1, 2025?**

**Answer:** We anticipate that hotels would use the same or a similar protocol that the city would use now for a local hotel tax exemption for prior contracted business. But the City has indicated that they will provide hotels with their documentation protocol prior to the date of the first remittance deadline for local hotel tax and TPID fees.

**Question: Who do I contact for further information about the TPID fee?**

**Answer:**  On legal related questions, you can contact Scott Joslove with the Texas Hotel Association at (512) 565-5292. For questions related to the process for remittance of the TPID fee, you can contact the City at (512) 974-2590 or can email the city staff at [hotels@austintexas.gov](mailto:hotels@austintexas.gov).