

MEMORANDUM

To: Accommodations Tax 301 Participants
From: Jim Finch
Date: September 16, 2008
Subject: HB 1168 Collection Clarification

We would like to clarify the response to participants' question concerning the implementation of the hotel motel tax levy provisions contained in HB1168 that were raised during the Governor's Tourism Conference, Accommodations Tax 301 breakout session on Friday, September 12, 2008.

Specifically, the question was *what are the requirements for use of the additional revenues received if a local government raises the hotel motel tax from 6% to 7% using the provisions contained in HB1168?* The short answer is the amount collected each year in **excess** of what would have been collected at a 5% rate is restricted in accordance with the new provisions of HB1168, as codifiedⁱ. The first 5% (40% of the amount collected assuming a 5% rate) is restricted in accordance with the expenditure requirements of the 5% tax authorization used by a majority of local governmentsⁱⁱ.

It is not relevant what rate of taxation or which tax authorization is used by a local government prior to raising the tax to a rate of more than 5% under the authorization provided by HB1168. This means that the amount restricted in accordance with HB1168 is solely dependent upon the new tax rate, as demonstrated in the table below.

Current Rate	HB1168 Rate	O.C.G.A	
		48.13.51(a) (3) Restricted	HB1168 Restricted
N/A	6%	2%	1%
N/A	7%	2%	2%
N/A	8%	2%	3%

If you have additional questions or need assistance, please contact Patrick Vickers at (404)679-3151 or pvickers@dca.state.ga.us, or Mike Bush at (404)679-3132 or mbush@dca.state.ga.us.

ⁱ O.C.G.A. 48-13-51(b)(5)

ⁱⁱ O.C.G.A. 48-13-51(a)(3)