

BARRY GLASSMAN
HARFORD COUNTY EXECUTIVE

BILLY BONIFACE
DIRECTOR OF ADMINISTRATION



ROBERT F. SANDLASS, JR.
TREASURER

Public Hearing

Proposed Adoption of Hotel Occupancy Tax Rules and Regulations

A Public Hearing regarding the proposed adoption of the Hotel Occupancy Tax Rules and Regulations was held January 20, 2017 at 10:00 a.m. The following County employees were in attendance: Robert Sandlass, Margaret Hartka, and Wayne Holtschneider. There were no speakers present.

Robert Sandlass, Treasurer, announced that the proposed adoption of Hotel Occupancy Tax Rules and Regulations is approved and will go into effect January 23, 2017.

No further business being held, the hearing concluded at 10:20 a.m.

Robert F. Sandlass, Jr.
Treasurer

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Harford County, Maryland

HOTEL OCCUPANCY TAX

RULES AND REGULATIONS

Adopted January 23, 2017
Robert F. Sandlass
Treasurer

The following Rules and Regulations apply to the hotel occupancy tax enacted by Harford County, Maryland (hereinafter "County") and codified as Article VII of Chapter 123 of the Harford County Code. Terms used in these Rules and Regulations shall have the meaning adopted in Harford County Code §123-63, unless otherwise provided herein.

I. Applicability

The owners and operators of hotels ("Operator") within Harford County shall collect and remit hotel occupancy taxes in accordance with the Harford County Code, Section 123, Article VII, and these Rules and Regulations. Harford County, Maryland may conduct audits of the records of any hotel required to collect the occupancy tax.

II. Record Keeping and Retention

- a. Every Operator liable for the collection of the hotel occupancy tax shall keep and preserve for a period of four (4) years, the following records:
 - i. lease agreements;
 - ii. general ledgers;
 - iii. night auditor and housekeeper reports;
 - iv. traffic summaries;
 - v. source of business reports;
 - vi. any other documents that support room revenue and exemptions as well as the amount of hotel occupancy tax which the hotel owner or operator was liable to collect and pay to the County.
- b. The records shall be maintained at the place of business where the subject rooms were rented.
- c. The Operator shall also maintain on site and make available to the Auditor documentation which shows any members, officers, partners managers or individuals who manage the business and affairs of the Operator who have personal liability for the payment of hotel occupancy tax pursuant to Md. LOCAL GOVERNMENT Code Ann. §20-412 and Md. TAX-GENERAL Code Ann. §11-601.
- d. The records shall be filed in a manner that allows ready access by the Treasurer, County Auditor or their authorized agents (hereinafter "Auditor"), who shall have the right to inspect the records during regular business hours and to perform an audit thereof.

III. Conduct of Audits

- a. Notice: The Treasurer shall give at least 7 days' written notice prior to the date and time specified for an audit. Notice shall be sent by certified mail to the address of the hotel.
- b. Audit Procedure:
 1. The Auditor will show a valid County identification badge or a letter from the Treasurer or the County Auditor authorizing the agent to perform an audit of the hotel's records.
 2. The Operator shall provide to the Auditor during the performance of the audit, a desk in a private area with sufficient space to comfortably review the records produced by the hotel.
 3. If necessary, the Operator shall provide a computer and printer for the use of the Auditor.

4. The Operator shall cooperate with the Auditor as necessary to make all required records available to the Auditor in a form or format in keeping with standard practice in the industry that allows efficient review of the records.

IV. Reporting of Audit Results

- a. Determination of Taxes Due: Upon completion of the audit, the Treasurer shall determine the amount of hotel occupancy tax due and payable by the Operator during the audit period.
- b. In the event that the amount of hotel occupancy tax paid by the Operator for the audit period was greater than the amount determined to be due, the Treasurer shall treat any such overage as a credit against future hotel occupancy taxes payable by Operator. Interest shall not be paid by the County for any overpayment.
- c. In the event that the amount of hotel occupancy tax paid by the Operator for the audit period was less than the amount determined to be due, the Treasurer shall calculate the additional tax due, together with any interest and penalties (“Deficiency”).
- d. The Treasurer shall report the amount of any credit or of any Deficiency to the Operator by certified mail, addressed to the Operator at the address of the hotel, within 10 days after the completion of the audit. The basis for calculation of the credit or Deficiency shall be included in the report.

V. Appeal of Deficiency

- a. If the Operator wishes to challenge a Deficiency, he/she shall submit a written request for appeal within ten (10) business days after service of the Deficiency. The request shall indicate whether Operator wishes to appeal the Deficiency via a written submission or wishes to appeal via a hearing.
- b. Appeal via written submission:
 1. Operator shall, within 10 days after service of the Deficiency, submit any and all documentation to support its contention that the Deficiency was incorrectly calculated, including a written explanation of the documents and the Operator’s calculation of the amount of taxes, interest and penalties due.
 2. Within 10 days after receipt of the Operator’s submission, the Treasurer shall provide a written response to the Operator rendering his/her decision as to the correct amount of the Deficiency (“Final Deficiency”).
- c. Appeal via hearing:
 1. An informal hearing before the Treasurer or his/her designee shall be scheduled by the County at a time mutually convenient to the County and the Operator; however, the hearing must be held no later than ninety (90) days after receipt by the County of the request for appeal.
 2. The Auditor shall present the basis for the calculation of the Deficiency.
 3. The Operator shall present any witnesses, documents, or other evidence it believes substantiates its claim that the Deficiency is incorrect.
 4. Within 10 days after the hearing, the Treasurer shall render his/her written determination of the Final Deficiency.

- d. In the event the Final Deficiency is less than the original Deficiency, interest shall not be charged for the difference between the original Deficiency and the Final Deficiency nor shall it be charged for the period of time between receipt by the County of the request for appeal and issuance of the Final Deficiency.

VI. Payment of Hotel Occupancy Taxes

- a. Hotel occupancy taxes shall be paid as provided in the Harford County Code.
- b. In the event that such taxes are not timely paid, the Treasurer may elect to audit the hotel's records or may provide written notice to the Operator of the estimated taxes due, based upon historical data, as well as interest and penalties (Estimated Taxes).
- c. If the Estimated Taxes are not appealed or paid within ten (10) days after receipt of notice thereof, the amount of Estimated Taxes shall be deemed by Operator and County to be correct and may be collected in an action filed in a court of competent jurisdiction.
- d. In the event that Operator chooses to appeal the Estimated Taxes, his/her request for appeal must be received by the County within ten (10) days after receipt of notice of the Estimated Taxes and the procedures described in sections V.b, V.c and V.d shall apply.

VII. Payment of Deficiencies

- a. A Deficiency shall be paid within thirty (30) days after receipt by Operator unless a written request for appeal is submitted in accordance with section V.a., above.
- b. A Final Deficiency shall be paid within thirty (30) days after receipt by Operator.
- c. In the event that a Deficiency or a Final Deficiency is not paid timely, the amount due, including taxes, penalties and interest may be collected in an action filed in a court of competent jurisdiction.

VIII. Notices

- a. Notices required under these Rules and Regulations to be sent to the County shall be mailed or delivered to:

Harford County Government
Department of the Treasury
220 S. Main Street, 2nd Floor
Bel Air, MD 21014

- b. Notices required under these Rules and Regulations to be sent to the Operator shall be mailed or delivered to the business address of the hotel.

IX. Personal Liability for Payment of Taxes

- a. An officer, partner or member of an Operator shall be personally liable, in accordance with the Md. TAX-GENERAL Code Ann. §11-601, for hotel occupancy taxes, interest and penalties that are not paid to the County as provided by law.