

# State Hotel Occupancy Tax

**Revised: 09/12**

**FSS/PPS No. 03.05.03**

**Issue No. 4**

**Reviewer: Associate VP Financial Services**

**Effective Date: 07/01/00 (E4Y)**

**Review Date: 07/16**

## **01. PURPOSE**

01.01 To establish responsibility and policy regarding payment of state, city, and county hotel occupancy taxes by university employees.

01.02 To ensure that policy conforms to the laws of the State of Texas.

## **02. POLICY STATEMENTS**

02.01 Texas state agencies, including institutions of higher education, are exempt from paying state hotel occupancy tax. ([Tax Code Sec. 156.102](#)) However, educational organizations are required to pay city and county hotel occupancy taxes.

In order to qualify for exemption, the employee must be traveling on state business. An employee traveling for personal reasons is not exempt from hotel occupancy tax. In order to claim the exemption, the employee must present a Texas Hotel Tax Exemption Certificate (Form 12-302) to the hotel at the time of registration. The form is located on the university's [Travel Office webpage](#), or the State of Texas Comptroller's website:

<http://www.cpa.state.tx.us/taxinfo/taxforms/12-302.pdf>

The hotel operator does have the right to request a government identification card, business card or other form of identification to verify the exemption claimed. Therefore, as a Texas State faculty or staff member, it is recommended that you travel with your Texas State identification card.

As an educational organization, Texas State is prohibited from reimbursing an employee for hotel occupancy tax who fails to present a properly completed exemption certificate.

If an employee presents a properly completed exemption certificate to a commercial lodging establishment and the establishment refuses to honor the certificate, Texas State will reimburse the employee all hotel occupancy taxes (subject to the limitations set forth in the State of Texas Travel Allowance Guide Sec. 3.14(C)) charged by the establishment. The employee must attach to his or her travel voucher, a signed statement to document the hotel's refusal to accept the Exemption Certificate.

The Travel Office will then provide the State Comptroller's office with the name of each establishment within Texas refusing to honor a properly completed and presented exemption certificate.

**03. MAJOR RESPONSIBILITIES ASSOCIATED WITH THIS PPS**

Major responsibilities for routine assignments associated with this PPS include the following:

<u>Position</u>	<u>Section</u>	<u>Date</u>
Tax Specialist	Review	July E4Y-00
Director, Payroll and Tax Compliance	Review	July E4Y-00
Director, Accounting	Review	July E4Y-00

**04. CERTIFICATION OF STATEMENT**

This FSS/PPS has been approved by the following individuals in their official capacities, and represents FSS policy and procedure from the date of this document until superseded.

Associate Vice President for Financial Services, Reviewer

Vice President for Finance and Support Services

Approved: \_\_\_\_\_  
Reviewer

Approved: \_\_\_\_\_  
Vice President for Finance  
and Support Services