

Tax Department **Most Frequently Asked Questions**

1102 Bob Bullock Loop
P.O. Box 6548
Laredo, Texas 78042
P: 956.727-6409
F: 956.727-6410

Director: Dora A. Maldonado, RTA, CPM
Tax Assessor Collector
dmaldonado@ci.laredo.tx.us

Administrative Assistant II
Sara A. Flores
sflores@ci.laredo.tx.us

Hours of operation:
Mon thru Fri: 8am to 5pm

Hotel/Motel Occupancy Tax

Q: Why do I have to pay City of Laredo Hotel/Motel Occupancy Tax

A: As per Section 351.002 of the Tax Code, A municipality by ordinance may impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs \$2 or more each day, and is ordinarily used for sleeping. The price of a room in a hotel does not include the cost of food served by the hotel and the cost of personal services performed by the hotel for the person except for those services related to cleaning and readying the room for use or possession. The tax does not apply to a person who is a permanent resident under Section 156.101.

Q: What is the City of Laredo Hotel/Motel Occupancy tax rate?

A: Under Section 30-17 of the Code of Ordinances, the City of Laredo levied a tax upon the cost of occupancy of any room or space furnished by any hotel where such cost of occupancy is at the rate of two dollars (\$2.00) or more per day, such tax to be equal to seven (7) percent of the consideration paid by the occupant of such room to such hotel, exclusive of other occupancy taxes imposed by other governmental agencies.

Q: Who has to collect City of Laredo Hotel/Motel Occupancy taxes?

A: Any person owning, operating, managing, and controlling any hotel shall collect the tax imposed.

Q: When is my City of Laredo Hotel Occupancy tax due?

A: On the last day of the month following each monthly period, every person required to collect the tax, shall file a report with the tax collector showing the consideration paid for all room occupancies in the preceding month, the amount of the tax collected on such occupancies, and any other information the tax collector may reasonably require. Such person shall pay the tax due on such occupancies at the time of filing such report. There shall also be furnished to the tax collector at the time of payment of such tax a copy of the monthly report filed with the state comptroller in connection with the state hotel occupancy tax.

Q: Is there a penalty or interest charge if I pay late?

A: Yes. If the person who is required to pay the tax imposed fails to file a report or does not pay the tax when it is due, the person shall forfeit to the city a penalty of five (5) percent of the amount of tax due. If the person who is required to pay the tax does not pay the tax within thirty (30) days after it is due, the person shall forfeit to the city a penalty of an additional five (5) percent of the amount of tax due. The minimum penalty is one dollar (\$1.00). The yearly interest rate on all delinquent taxes imposed is ten (10) percent. Delinquent taxes draw interest beginning sixty (60) days from the date due.

Example:

January Tax need to be paid by February 28th

If not paid by February 28th, then March 1st a 5% penalty is assessed.

If not paid by March 31st, then April 1st a second 5% penalty is assessed

If still not paid by May 31st, then .833% interest is assessed monthly until paid in full.

Q: What tender method does the tax office accept?

A: Our office accepts cash, money orders, checks and cashier checks. Credit/debit card payments are also accepted by phone. A 3% processing fee will be charged on all credit/debit card phone payments.