



## Meet AC

Comparable Destination Hotel Tax Analysis

# ■ Comparable Destinations

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SAG studied 10 comparable cities' hotel tax rates

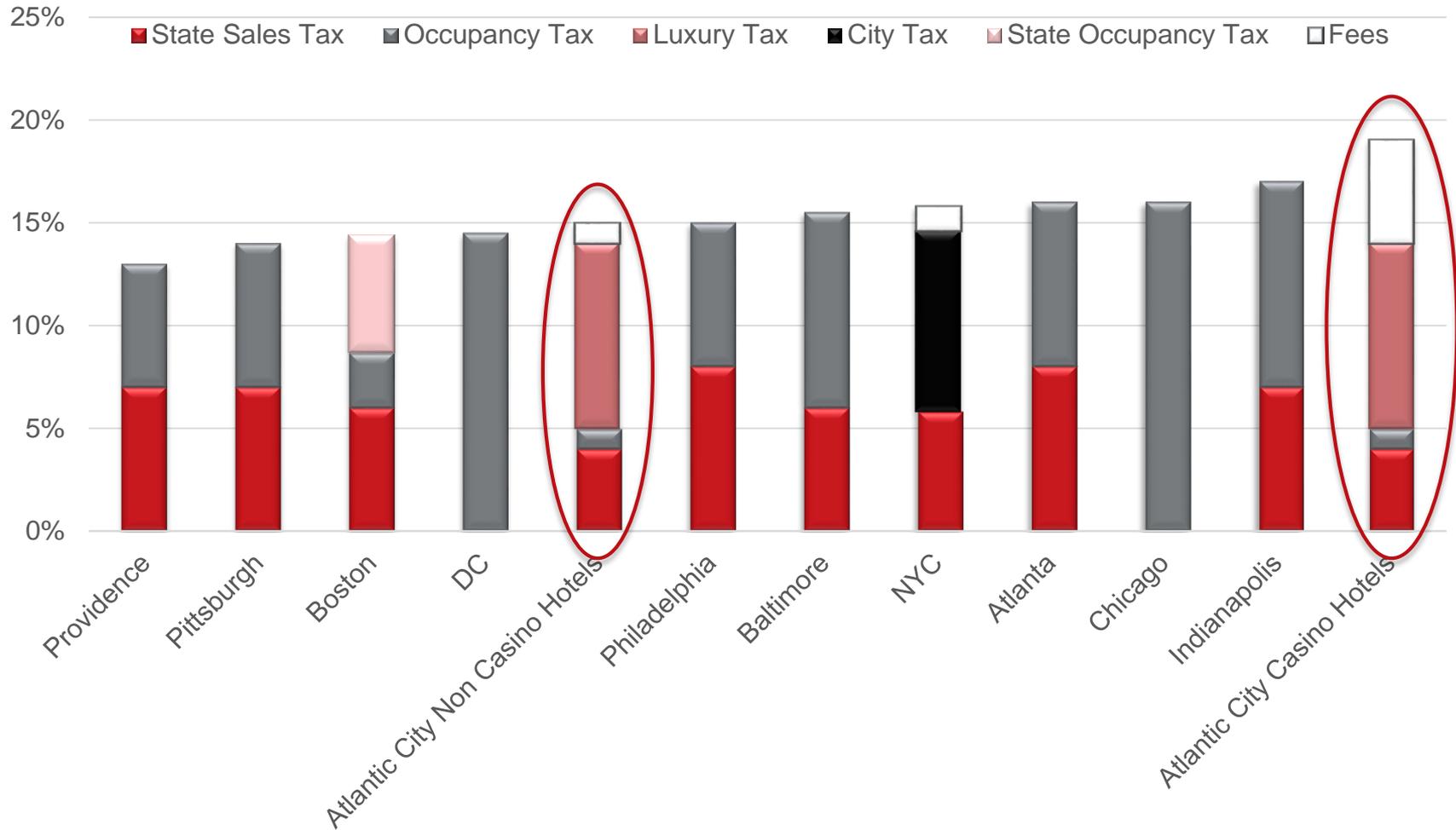
- Atlanta
- Baltimore
- Boston
- Chicago
- DC
- Indianapolis
- Philadelphia
- Pittsburg
- Providence
- New York

SAG reviewed hotel/motel tax, sales tax and additional fees tied to hospitality and tourism



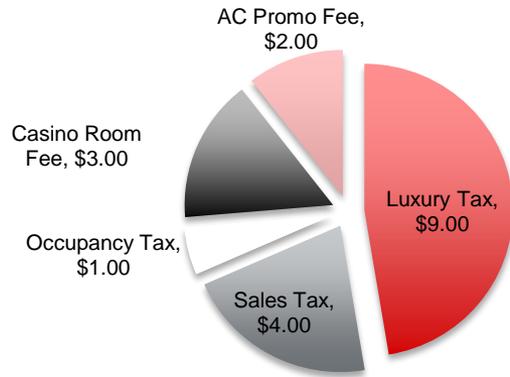
# Tax Rates Applied to Hotel/Motel Rooms

## Destination Hotel/Motel Tax Rates

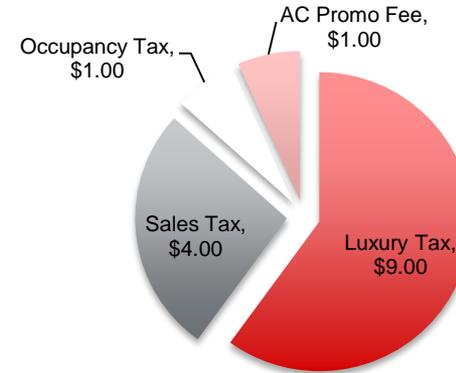


# Breakdown of City Taxes on Hotel/Motel

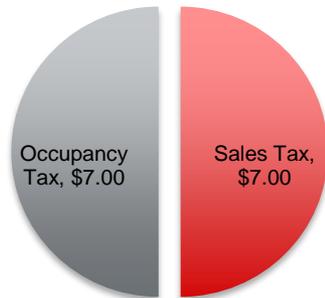
Atlantic City Casino Hotels  
Breakdown on \$100 Room Rate = \$19  
Overall Tax – 19%



Atlantic City Non Casino Hotels  
Breakdown on \$100 Room Rate = \$15  
Overall Tax – 15%



Pittsburg Hotels  
Breakdown on \$100 Room Rate = \$14  
Overall Tax – 14%

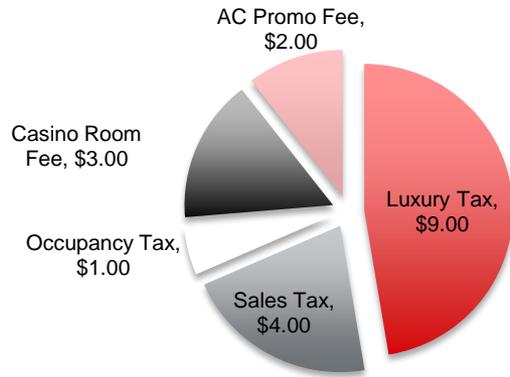


Baltimore Hotels  
Breakdown on \$100 Room Rate = \$15.50  
Overall Tax – 15.50%

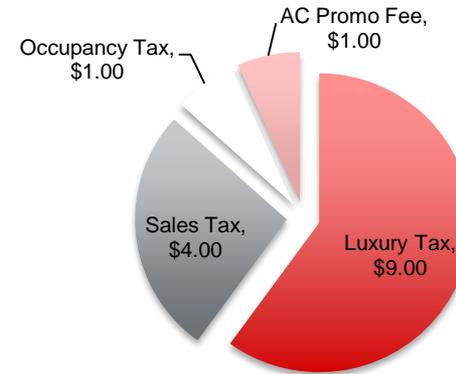


# Breakdown of City Taxes on Hotel/Motel

Atlantic City Casino Hotels  
Breakdown on \$100 Room Rate = \$19  
Overall Tax – 19%



Atlantic City Non Casino Hotels  
Breakdown on \$100 Room Rate = \$15  
Overall Tax – 15%



Providence Hotels  
Breakdown on \$100 Room Rate = \$13  
Overall Tax – 13%

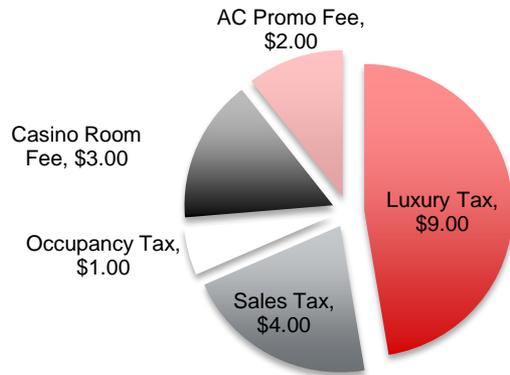


Philadelphia Hotels  
Breakdown on \$100 Room Rate = \$15  
Overall Tax – 15%

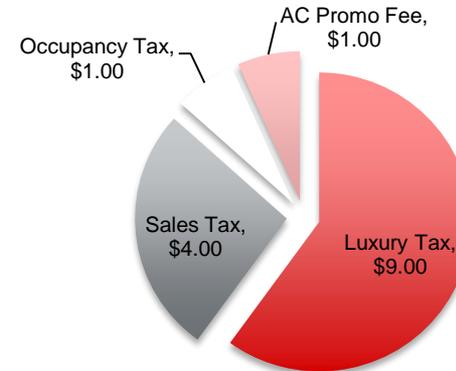


# Breakdown of City Taxes on Hotel/Motel

Atlantic City Casino Hotels  
Breakdown on \$100 Room Rate = \$19  
Overall Tax – 19%



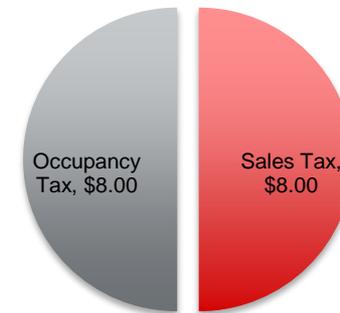
Atlantic City Non Casino Hotels  
Breakdown on \$100 Room Rate = \$15  
Overall Tax – 15%



Indianapolis Hotels  
Breakdown on \$100 Room Rate = \$15  
Overall Tax – 15%

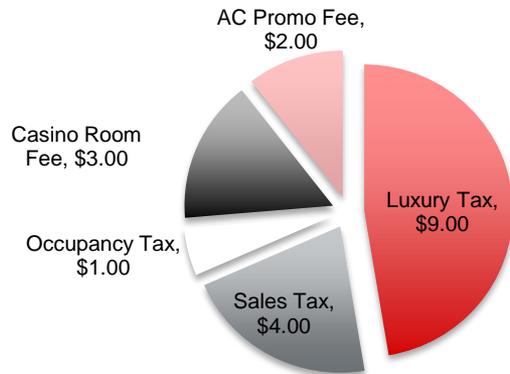


Atlanta Hotels  
Breakdown on \$100 Room Rate = \$16  
Overall Tax – 16%

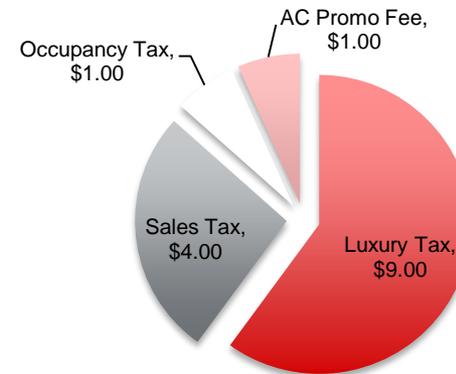


# Breakdown of City Taxes on Hotel/Motel

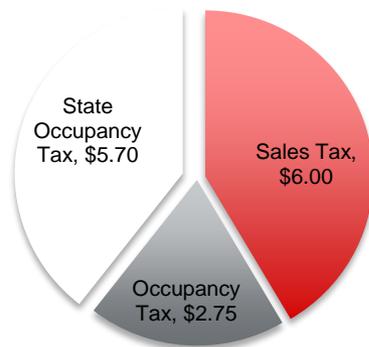
Atlantic City Casino Hotels  
Breakdown on \$100 Room Rate = \$19  
Overall Tax – 19%



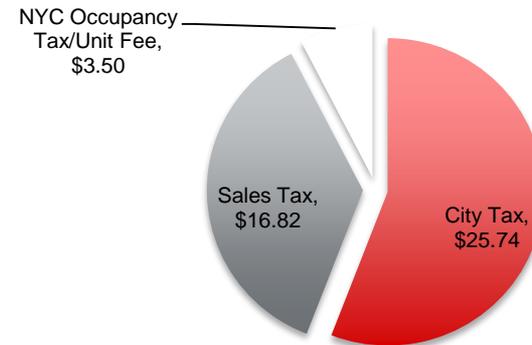
Atlantic City Non Casino Hotels  
Breakdown on \$100 Room Rate = \$15  
Overall Tax – 15%



Boston Hotels  
Breakdown on \$100 Room Rate = \$14.45  
Overall Tax – 14.45%



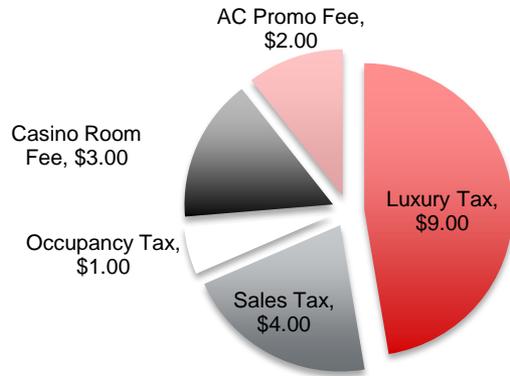
New York City Hotels  
Breakdown on \$290 Room Rate\* = 46.06  
Overall Tax – 15.8%



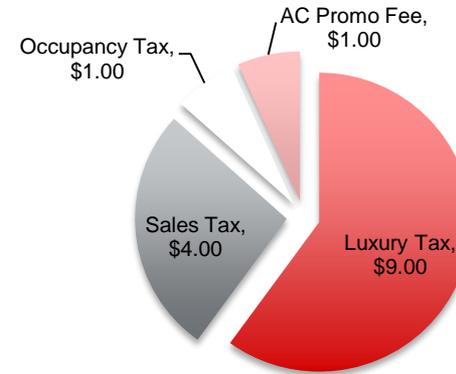
\*Average Room Rate in NYC - \$290

# Breakdown of City Taxes on Hotel/Motel

Atlantic City Casino Hotels  
Breakdown on \$100 Room Rate = \$19  
Overall Tax – 19%



Atlantic City Non Casino Hotels  
Breakdown on \$100 Room Rate = \$15  
Overall Tax – 15%



Chicago Hotels  
Breakdown on \$100 Room Rate = \$16.40  
Overall Tax - 16.4%



DC Hotels  
Breakdown on \$100 Room Rate = \$14.50  
Overall Tax – 14.5%



# ■ Negative Press – High Tourism Taxes

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“Worst Total Tax Burden by Destination” – Global Business Travel Association 2013

- Chicago
- New York City
- Minneapolis
- Kansas City
- Indianapolis

## Indianapolis tax breakdown

- 17% tax on hotel rooms
- 15% tax on rental cars
- 9% tax on restaurant meals
- **\$34 total taxes per day**

*Business Travel Association Rates Indianapolis as One of Worst Cities for Visitor Taxes*

## Atlantic City tax breakdown

- 19% luxury tax on hotel rooms
- 9% tax on restaurant meals
- **\$28 total taxes per day**



# ■ Summary of Findings

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Atlantic City has the highest overall tax rate at 19%

- Impacts competitiveness in bidding process
- Creates potential for negative press
- The percentage that is allocated for tourism funding should be commensurate

Atlantic City and New York City are the only destinations studied with flat fees added to each room night

- Atlantic City Promo Fee - \$2.00
- NYC Unit Fee - \$3.50

There would be risk in adding additional fees or taxes in Atlantic City