

Legislation Text

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Amending Chapter 19-2400 of The Philadelphia Code, entitled "Hotel Room Rental Tax," by providing for an additional excise tax on hotel room rentals and designating the expenditures for which such tax will be used, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-2400 of The Philadelphia Code is amended to read as follows:

CHAPTER 19-2400. HOTEL ROOM RENTAL TAX.

* * *

§19-2402.2. Imposition and Rate of Hospitality Promotion Tax.

(1) There is hereby imposed, in addition to the tax imposed by the preceding Sections 19-2402 and 19-2402.1 and notwithstanding any maximum rate of tax set forth therein, an excise tax of one and two-tenths percent (1.2%) on the consideration received by each operator of a hotel within the City from each transaction of renting a room or rooms to accommodate transients. The tax shall be collected by the operator from the patron of the room and paid over to the City pursuant to Sections 19-2403 and 19-2405 and shall be known as the Philadelphia Hospitality Promotion Tax.

§ 19-2403. Deposit and Distribution of Tax Revenues.

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(4) With respect to the revenues received pursuant to Section 19-2402.2, relating to Imposition and Rate of Hospitality Promotion Tax:

(a) Regional attractions marketing agency and Tourist promotion agency (collectively, the "Marketing and Tourism Agencies").

(.1) For revenues attributable to fiscal years 2009 through 2012: There shall be deposited in a special fund, established pursuant to subsection (1), for the use of the Marketing and Tourism Agencies, nineteen thirtieths (19/30) of all revenues received from taxes imposed pursuant to this Section.

(.2) For revenues attributable to fiscal years 2013 and thereafter:

(A) The "Base Amount" for a fiscal year shall equal nineteen thirtieths (19/30) of all revenues received from taxes imposed pursuant to this Section, attributable to such fiscal year. The "Prior Year's Deposits" for a fiscal year shall equal the amount attributable to the immediately prior fiscal year deposited in the special fund for the use of the Marketing and Tourism Agencies.

(B) If the Base Amount is less than or equal to the Prior Year's Deposits multiplied by one and twenty-five one-thousandths (1.025), there shall be deposited in a special fund, established pursuant to subsection (1), for the use of the Marketing and Tourism Agencies, an amount equal to the Base Amount.

(C) If the Base Amount is greater than the Prior Year's Deposits multiplied by one and twenty-five one-thousandths (1.025), but less than the Prior Year's Deposits multiplied by one and six-hundredths (1.06), there shall be deposited in a special fund, established pursuant to subsection (1), for the use of the Marketing and Tourism Agencies, an amount equal to the Prior Year's Deposits multiplied by one and twenty-five one-thousandths (1.025).

(D) If the Base Amount is greater than or equal to the Prior Year's Deposits multiplied by one and six-hundredths (1.06), there shall be deposited in a special fund, established pursuant to subsection (1), for the use of the Marketing and Tourism Agencies, an amount equal to the Base Amount minus the product formed by multiplying Prior Year's Deposits by thirty-five one-thousandths (0.035).

(.3) All amounts deposited for the use of the Marketing and Tourism Agencies shall be divided equally between the Regional attractions marketing agency and the Tourist promotion agency.

(b) There shall be deposited in a special fund, established pursuant to subsection (1), for the support of the expanded Pennsylvania Convention Center, all revenues received from taxes imposed pursuant to this Section not deposited in the fund for the use of the Marketing and Tourism Agencies.

§ 19-2404. Expenditures From Funds.

(1) Expenditures from the fund established pursuant to Section 19-2403 for the tourist promotion agency *and generated by the Hotel Room Rental Tax* shall be used by the designated tourist promotion agency for:

(a) advertising and publicizing tourist attractions in the area served by the agency;

(b) promoting and attracting conventions, exhibitions and other functions to utilize facilities in the area served by the agency;

(c) promoting and otherwise encouraging the use of the facilities in the area served by the agency by the public as a whole; and

(d) costs associated with the development and operation of the convention center.

(1.1) Expenditures from the fund established pursuant to Section 19-2403 for the benefit of the tourist promotion agency and generated by the Hospitality Promotion Tax shall be used by the designated tourist promotion agency to promote the use of the expanded Pennsylvania Convention Center and to promote the area served by the tourist promotion agency, including in international markets.

(2) Expenditures from the fund established pursuant to Section 19-2403 for convention center authority purposes *and generated by the Hotel Room Rental Tax* shall be used by the authority for the following uses:

(a) Projected annual debt service or lease payments of the convention center authority.

(b) Costs associated with financing, constructing, improving, maintaining, furnishing, fixturing and equipping the convention center.

(c) Costs associated with the development of the convention center, including, but not limited to, design, engineering and feasibility costs.

(d) Costs associated with the operation and management of the convention center.

(e) Costs associated with promoting, marketing and otherwise encouraging use of the convention center.

(f) General purposes of the convention center.

(2.1) Expenditures from the fund established pursuant to Section 19-2403 for convention center authority purposes and generated by the Hospitality Promotion Tax shall be used by the City to support the expanded Pennsylvania Convention Center.

(3) Expenditures from the fund established pursuant to Section 19-2403 for the *benefit of the regional attractions marketing agency and generated by the Tourism and Marketing Tax or the Hospitality Promotion Tax* shall be used by the agency for:

(a) direct advertising efforts directed towards advertising and publicizing tourist attractions in the area served by the agency;

(b) promoting and attracting tourism to facilities in the area served by the agency; and

(c) promoting and otherwise encouraging the use of the facilities in the area served by the agency by the public as a whole.

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SECTION 2. This Ordinance shall take effect January 1, 2009.

Explanation:

[Brackets] indicate matter deleted.
Italics indicate new matter added.