



City Manager Report

The City of OKLAHOMA CITY

NO:

DATE: April 11, 2025

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: HOTEL TAX COLLECTIONS THROUGH MARCH 31, 2025

- Collections Up \$5,043,511 or 36.35% vs. Prior Yr. Through the Third Qtr. of FY25
- Collections Above Projection by \$2,061,016 or 12.2% Through the Third Qtr. of FY25

HOTEL TAX COLLECTIONS

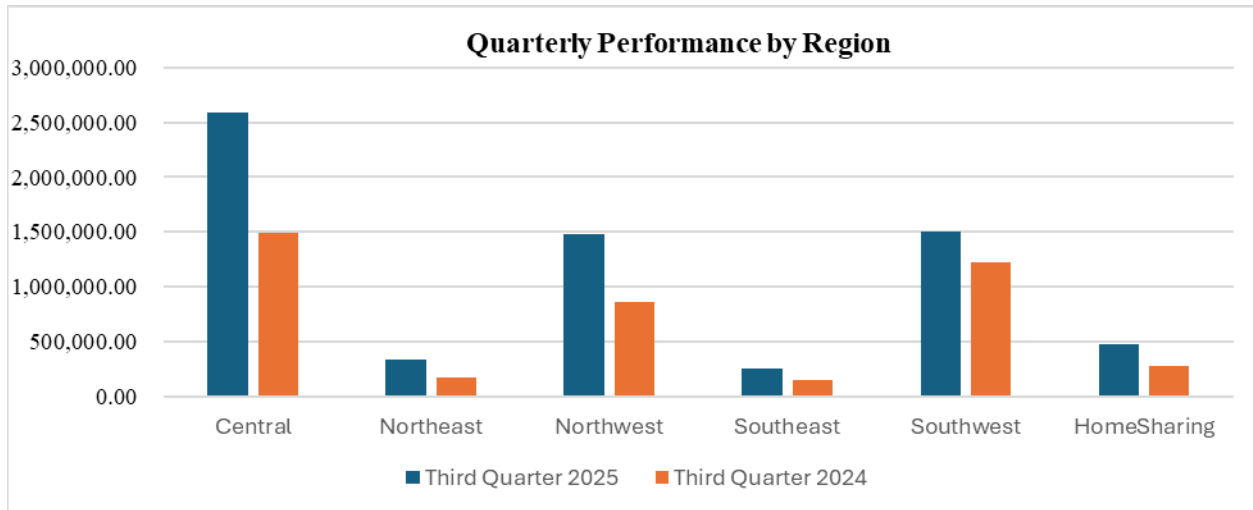
Hotel taxes are collected by local hotels and remitted to the City the following month. This report summarizes hotel tax collections for the third quarter of fiscal year 2025 and is limited exclusively to hotel tax. Any sales tax collected by hotels is reported separately in the monthly sales and use tax City Manager report.

On August 27, 2024 the voters of Oklahoma City overwhelmingly approved an increase in the hotel tax, increasing it from 5.5% to 9.25%. The new rate went into effect on October 1, 2024. The distribution of collections from the City's new hotel tax is shown below and is set by ordinance:

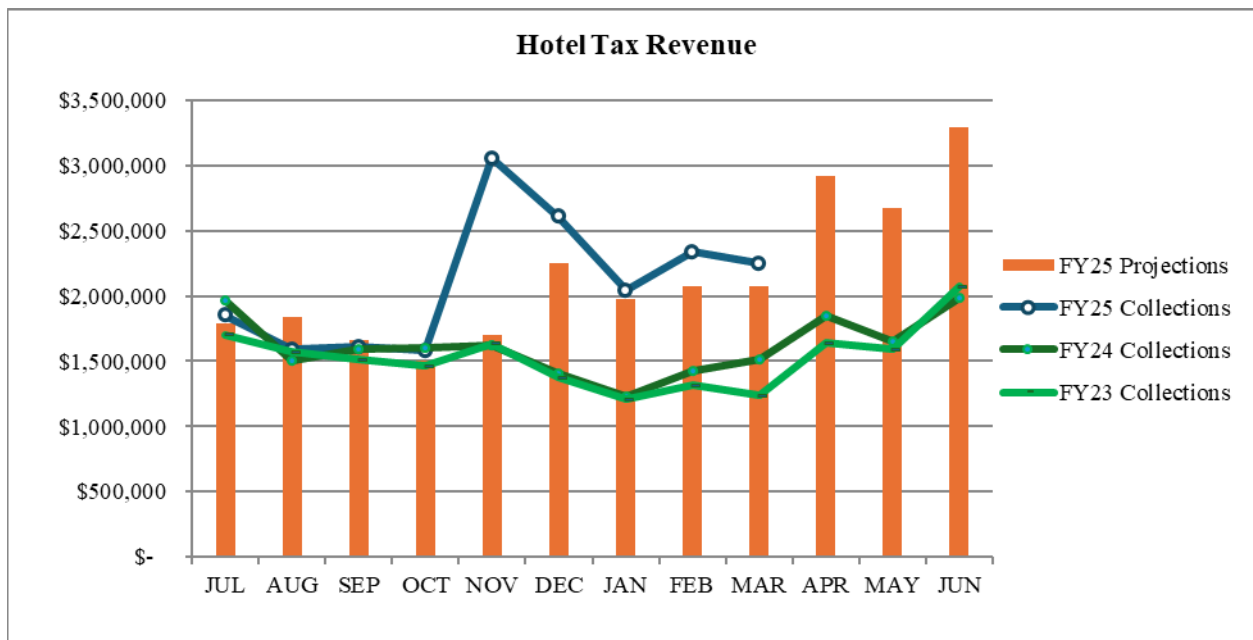
- CVB - 52.02%
- Fairgrounds - 35.15%
- Sponsorship - 10.8%
- Convention Center - 2.03%

The following table represents year-to-date revenue collections and annual projections for each of these purposes. The projections are based on the 5.5% rate as the hotel tax budget for the remainder of the FY 2025 has not been amended to reflect the 9.25% rate:

FISCAL YEAR-TO-DATE COMPARISON				
	<u>Projection</u>	<u>Revenue</u>	<u>Over/Under Projection</u>	<u>% Over/Under Projection</u>
Convention and Tourism	\$7,705,148	\$8,803,652	\$1,098,505	
State Fairgrounds	\$7,242,735	\$7,934,742	\$692,007	
Event Sponsorship	\$1,704,399	\$1,929,766	\$225,367	
Convention Center	\$204,278	\$249,415	\$45,137	
Total	\$16,856,560	\$18,917,576	\$2,061,016	12.2%



Hotel tax revenues for Oklahoma City continues the growth in Q3 FY 2025, primarily due to the rate increase from 5.5% to 9.25%. While the Central, Northwest, and Southwest districts saw strong collections due to the rate adjustment. Other areas experienced modest gains.



Respectfully submitted,

Craig Freeman
City Manager