



COUNTY OF LEHIGH
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER
17 SOUTH SEVENTH STREET
ALLENTOWN, PA 18101-2400
(610) 782-3082 FAX: (610) 820-3335

THOMAS SLONAKER
COUNTY CONTROLLER

JOHN A. FALK
DEPUTY CONTROLLER

December 11, 2009

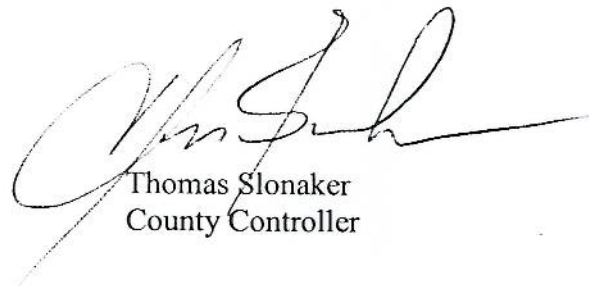
Mr. Pravin Desai
Hampton Inn
7471 Keebler Way
Allentown, PA 18106

Brian L. Kahler, Fiscal Officer
Lehigh County Government Center
17 South Seventh Street
Allentown, PA 18101-2400

To Messrs. Desai and Kahler:

We have recently completed an agreed-upon procedures engagement of hotel room rental tax remitted by Hampton Inn for the period January 1 to December 31, 2008. Our report number 09-62 is attached.

The result of our review is \$1,688.66 in hotel room rental tax was paid.



Thomas Slonaker
County Controller

Attachment

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
HAMPTON INN

*Independent Controller's Office Report on
Applying Agreed-Upon Procedures
For the Period January 1 to December 31, 2008*

REPORT NO. 09-62

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
HAMPTON INN

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To Messrs. Desai and Kahler:

Pursuant to Act 12 of 2005, section 1770.8 to the County Code, Lehigh County Ordinance #2005-180 and the Lehigh County Hotel Room Rental Tax Rules and Regulations effective September 4, 2005, a four percent hotel room rental tax shall be collected and remitted to the Lehigh County fiscal officer. We have performed certain procedures enumerated below, which were agreed to by the Lehigh County fiscal officer, solely to assist the county fiscal officer in determining the accuracy of hotel room rental tax remittances made by the Hampton Inn management for the period January 1 to December 31, 2008. The fiscal officer, as the delegate for the County Executive, is responsible for the collection of the hotel room rental tax.

Procedures performed included:

- Verification of reported revenue to Form PA-3 submitted to the Commonwealth of Pennsylvania, Department of Revenue.
- Compliance to the County of Lehigh Rules and Regulations for hotel room rental tax collection.
- Verification of reported revenue and hotel room rental tax collections to hotel operator accounting records.

This agreed-upon procedures engagement was conducted in accordance with generally accepted government auditing standards and "Government Auditing Standards" as issued by the United States Government Accountability Office (GAO) and "Statements on Standards for Attestation Engagements" as issued by the American Institute for Certified Public Accountants (AICPA). The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures performed.

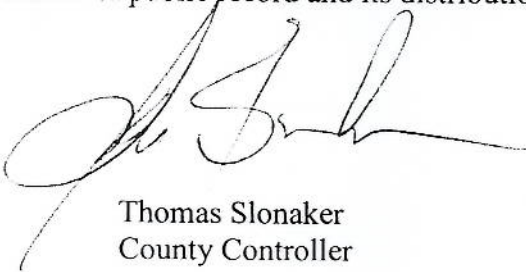
Reported taxable revenues of \$2,754,000.89 resulted in \$110,160.04 in hotel tax payable to the County of Lehigh during the period under review (before adjustments). Based on our review, additional tax and interest is due for:

Exemption Adjustment	\$ 904.12
Remittance Adjustment	365.70
Revenue Adjustment	<u>418.84</u>
Total	\$1,688.66 =====

An issue regarding exemption reporting compliance is detailed on the attached page titled "*Exemption Reporting Compliance*".

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on hotel room rental tax collections. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the county fiscal officer and management of the County of Lehigh and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Thomas Slonaker
County Controller

November 2, 2009
Allentown, PA

Final Distribution
Board of Commissioners
Donald T. Cunningham, Jr., County Executive

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
HAMPTON INN

Exemption Reporting Compliance

Condition: The hotel is not utilizing the correct forms to report exemptions. New forms were issued effective 2008 whereby permanent resident and non-permanent resident exemptions are reported separately.

Recommendation: The hotel should use the correct forms to report exemptions (see pages 4-7).

COUNTY OF LEHIGH
 17 South Seventh Street
 Allentown, PA 18101-2400

HOTEL ROOM RENTAL TAX

For Period Ended _____

HOTEL INFORMATION

Facility Name _____
 Address _____

Capacity and Rooms Occupied

1	Number of Rooms	
2	Days in Period	
3		CAPACITY
4	Number of Rooms Occupied for Period	

Tax Due

5	Gross Revenue	
6	Exemptions- Permanent Residents	
7	Exemptions- Non-Permanent Residents	
8		TAXABLE REVENUES
9	Tax Rate	0.04
10		TAX DUE FROM TAXABLE REVENUES
11		Tax Due (Greater of Line 9 or 10)

TAXPAYER INFORMATION

Hotel Room Rental Tax is imposed at the rate of 4.0% of the consideration received by each operator of a facility within Lehigh County from each transaction of renting a room or rooms. The tax is to be collected by the operator of each facility from each patron who rents a room. Each operator is required to file a tax return and remit tax due on or before the 20th day of the month subsequent to the month in which the tax was levied.

CERTIFICATION

I hereby certify that this return has been examined by me and that the information contained herein is true, correct and complete, to the best of my knowledge and belief. This information is provided subject to the penalties of the Pennsylvania Criminal Code, 18 Pa.C.S. Ss 4904, relating to unsworn falsification to authorities.

 Signature _____ Date

COUNTY OF LEHIGH
17 South Seventh Street
Allentown, PA 18101-2400

HOTEL ROOM RENTAL TAX

INSTRUCTION SHEET

Capacity and Rooms Occupied

- Line 1. Enter number of rooms available
- Line 2. Enter number of days in period, e.g. January = 31, February = 28
- Line 3. Compute capacity: Line 1 times Line 2
- Line 4. Enter actual number of rooms occupied for the period

Tax Due

- Line 5. Enter gross room revenues, both taxable and exempt. **Do not include tax collected.**
- Line 6. Enter exempt revenues for permanent stay residents.*
- Line 7. Enter exempt revenues for all exemptions other than permanent residents.*
- Line 8. Compute taxable revenues: Subtract Lines 6 and 7 from Line 5.
- Line 9. Compute Tax Due from Taxable Revenues: Line 8 times the Tax Rate (.04).
- Line 10. Enter the actual room rental tax collected.
- Line 11. Enter Actual Tax Due: Greater of Line 9 or Line 10.

* The detail of exempt revenues are to be reported on the supplementary "Hotel Room Rental Tax Exemptions- Permanent Residents" and/or "Hotel Room Rental Tax Exemptions- Non-Permanent Residents." Note that the *County Rules and Regulations, Part II, Section I. Records*, specifies that "The burden of proving that the Transaction is not taxable is upon the Operator and the Operator must demonstrate the same through accurate records."

Make Check payable to "County of Lehigh" (your canceled check is your receipt).

Mail completed forms and payment to:

County of Lehigh
Fiscal Office
17 South Seventh Street
Allentown, PA 18101-2400

COUNTY OF LEHIGH
 17 South Seventh Street
 Allentown, PA 18101-2400

HOTEL ROOM RENTAL TAX EXEMPTIONS- NON-PERMANENT RESIDENTS

For Period Ended: _____
 Facility Name: _____

Date	Guest Name	Organization	Exempt Code*	Rate	Nights	Exemption Amount
				\$		\$
Total						\$

* Please Fill in the Exempt Code for the above exemptions using A,F,M,S or O as described below:

Per the "County of Lehigh Hotel Room Rental Tax Rules and Regulations" effective Sept 4, 2005; Part II;

- A. Occupancy by Ambassadors, Ministers and Consular Officers of Foreign Government
- F. Occupancy by the United States Government
- M. Occupancy by Military personnel on official business.
- S. Occupancy by the Commonwealth of Pennsylvania
- O. Occupancy by Other Exempt Entities (as described in Part II, Sect. E, No. 5) Please Explain.

Hotel exemption certificates and folios must be on file for all of the above exemptions.

