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Hotel Tax Configuration

Setup > Property > Policies – Taxes

The system uses tax configuration to configure the taxable charges and allow the property to display tax rates to the consumer. You can:

- Set Hotel Taxes, Room Taxes, Rate Taxes, and Package Taxes.
- Add daily or per stay fees (such as resort fees or cleaning fees)
- Set up taxes to handle inclusive and exclusive tax calculation and to provide a complete price breakdown to the consumer.
- Collect taxes on Free Nights offered as promotions.

Hotels can manage taxes and fees using either of two methods:

- **Tax Management using Product Price Season** - When a hotel manages taxes with this method, the Rate Pricing page displays "Price Includes Tax" option so that you can set taxes and fees using the product price season to determine if the pricing for the rate includes or excludes the taxes and fees.

Example of Rate Pricing when "Hotel Uses Per-Tax Inclusivity" is not selected

- **Tax Management using Per-Tax Inclusivity -** When a hotel manages taxes with this method, each tax established in *Setup > Property > Taxes includes* the option to include or exclude the taxes in the price that displays to the booker.

How Channels Apply Taxes and Fees

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Galileo

Galileo Complete Pricing Plus allows for the return of existing Control Center pricing data, including: fees, taxes, room rate, rate inclusive of all taxes & fees, and rate changes.

GDS and IDS

Rate Rules Tax Display: Three (3) lines of 64 characters send to the Rate Rules Tax display.

There are a limited number of specific taxes that publish to HOD in any GDS system:

- City Tax
- Lodging Tax
- Occupancy Tax
- State Tax
- Value Added Tax (VAT)
- Service Charge
- Convention Tax
- National Government Tax

If a hotel does not use one of the above taxes (actually their respective equivalent in Control Center) then individual tax amounts do not publish.

Booking engine

REZbooker Booking Engine displays taxes and fees throughout the booking process as follows:

- The tax field only displays when there is tax on the reservation.
- The fee amount only displays if there is a fee associated with the reservation.
- City Hotel Fee, Maintenance Fee, Package Fee, Resort Fee, and Miscellaneous Fee are grouped into the **Fees** line.
- All other taxes/surcharges are shown in the **Tax** line.

Fields for Hotel, Rate, or Room Taxes

The system accesses Taxes and Fees in the following order:

1. The **Per Night** tab charges all taxes/fees on a nightly basis in sequential order - in other words, the system calculates the charges in the order that they appear on this page - Hotel, Rate and Room. (Default)

2. The system calculates the taxes on the **Per Stay** tab (in the order they appear on the screen - Hotel, Rate and Room) after all the nightly taxes and fees assess.

Selection	Description
Level	• Hotel Taxes - Taxes apply to all reservations at the hotel. • Rate Taxes - Taxes apply to only on reservations created for the selected rate types. (Adds to hotel and/or rate room level taxes.) • Room Taxes - Taxes apply to only on reservations created for the selected room types. (Adds to hotel and/or rate level taxes.)
Tax Frequency	• Per Night (default) - Tax applies for each night of stay • Per Stay- Tax applies only one time for entire stay.
Tax Type	The system uses OTA standards for interfaces to determine the **Tax Type** options. Select the tax type from the available list that best describes the new tax.
Code	Type a unique code to identify the tax. If values vary for the same tax depending on the season, type unique code for each tax (e.g. BEDTAX1, BEDTAX2, etc.).
Name	The name of an item or items identifies serves as an identifier in all applications. It should a descriptive of the item so that it can easily be recognized in a list of options. Using a descriptive and accurate Name assists users who need to identify items throughout CentralREZ and distribution channels, where applicable. For example, the Name can be used as a selection point in a Filter such as a Group Category name used in the Filter section of Group Configuration.
Default Description	Type a default description that applies for all channels unless overridden in Default tab.
Start Date/ End Date/No End Date	Enter the date that the option is available for use. The date is based on hotel date and time zone
Tax	Enter the value or price of the tax in the Tax field, and whether the tax is a percentage of the room rate or an amount in the hotel's preferred currency. For all Tax Types except Package Fee, these fields work in conjunction with the Charge Per field. Selection logic:

	• **Percentage** - Use when your hotel uses Rate Specific Currency. Select Amount or Percentage. (Percentage taxes cannot be used with **Apply to Free Nights.)** • **Amount -** Use for Hotels, Rooms, or Rates Taxes where the tax **will Apply to Free Nights..**
Charge Per	Select the charge frequency in the Charge Per drop down. • **Flat** - Charges the amount or the percentage by the room rate. • **Per Person, Per Adult or Per Child** - Multiplies the amount or percentage by the number of persons, adults, or children and then multiples it by the room rate.
Calculate from Room Price	Applies only when you use a percentage for charging the tax. ☑ - Indicates that this particular tax/fee should use the only the base price (not the net room price) and not previous taxes to calculate this tax. ☐ - Not Selected: The tax/fee adds all of the previous taxes (in sequential order) to the base price before calculating this tax/fee.
Is Inclusive	This option only displays when **Hotel Uses Per-Tax Inclusivity** is active in *Administration > Hotel > Hotel Maintenance.* - (Default) The system calculates the tax on top of the defined rate pricing as an exclusive tax. The rate that displays to the booker is the defined Rate Price without the tax. For example: Rate Price - $100 plus 5% tax • Tax - $5 • Total - $105 • Displays to booker: $100 - The system includes the tax in the defined rate pricing so it is an inclusive tax. The rate that displays to the booker is the room or package portion of the Rate Price. For example: Rate Price - $100 inclusive of 5% tax • Tax - $5 • Room - $95 • Displays to booker: $95

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Apply to Free Nights	This option applies to hotels using promotional functionality in CentralREZ to offer free nights by entering a -100% for the Price Adjustment value in **Setup > Rates > Promotions.**
	This setting:
	• Applies to hotel, room, and rate taxes, but does not include package taxes.
	• Applies for both per night and per stay amount based taxes charged as Flat Charge, Per Adult, Per Child, or Per Person
	• Applies only when you select **Amount** in the Tax field. (Not applicable for **Percentage** setting.)
	• Is not available when **Is Inclusive** is selected.
	Not Selected (Default) - No taxes or fees are applied to free nights.
	Selected - Indicates that taxes or fees are applied to all nights in a reservation, including nights where the price is zero and the criteria above apply.

Fields for Package Taxes

Package taxes only apply when Tax included is not selected in Package Setup. The "Package Level" tax applies to taxes and fees to package items. You can assign taxes and fees to package items:

Details	Description
Level	**Package Taxes** - Taxes apply to package items.
Tax Frequency	This field does not display because the Tax Frequency is defined on the package item by the frequency of the package item offering.
Tax Type	The system uses OTA standards for interfaces to determine the **Tax Type** options.
	Select the **Tax Type** from the available list that best describes the new tax, for instance Package Fee.
Code	Type a unique code to identify the tax.
	If values vary for the same tax depending on the season, type unique code for each tax (e.g. PACK1, PACK2, etc.).

Name	It should a descriptive of the item so that it can easily be recognized in a list of options.
Default Description	Type default description that applies for all channels unless overridden in Description tab.
Start Date/ End Date/ No End Date	Enter the date that the option is available for use. The date is based on hotel date and time zone
Tax	Enter the value or price of the tax in the Tax field, and whether the tax is a percentage of the package price or an amount in the hotel's preferred currency.
Calculate from Package Price	Applies only when you use select Percentage in the Tax field. (Not applicable for Amount setting.) ☑ - Indicates that this particular tax/fee calculates on only the base price of the package and not previous taxes to calculate this tax. ☐ - Not Selected: The tax/fee adds all of the previous taxes (in sequential order) to the base package price before calculating this tax/fee.
Is Inclusive	This option only displays when Hotel Uses Per-Tax Inclusivity is active in **Administration > Hotel > Hotel Maintenance.**

Package taxes and fees calculate based on the applied Sort Order and the individual tax setting of "**Calculate from Package Price**" as set in **Setup > Property > Policies > Taxes.**

The application taxes depends upon the setting of "Hotel Uses Per-Tax Inclusivity" attribute. When the hotel level attribute for per-tax inclusivity is not enabled, all package taxes are considered exclusive. They will only be added to package items they are assigned to that do not have the "Tax Included" package item attribute enabled.

Scenario	If	And	Then
A tax inclusive package value is calculated and the per-tax inclusivity	The hotel attribute for per-tax inclusivity	A flat per night package item is set up with a price of $100 on February 28, 2017 and a $5 package level resort fee is configured and assigned to the package	When value of the package is calculated for February 28, 2017: • Amount Before Tax = $100

hotel attribute is not enabled:	is not enabled.	item and the Tax Inclusive attribute is checked on the package item.	• Amount After Tax = $100.
A tax exclusive package value is calculated and the per-tax inclusivity hotel attribute is not enabled.	The hotel attribute for per-tax inclusivity is not enabled.	A flat per night package item is setup with a price of $100 on February 28, 2017 and a $5 package level resort fee is configured and assigned to the package item. And the Tax Inclusive attribute is not checked on the package item. • And a $5 exclusive package level resort fee is configured and assigned to the package item.	When the value of the package is calculated for February 28, 2017: • Amount Before Tax = $100 • Amount After Tax = $105.
A package value is calculated and the per-tax inclusivity hotel attribute is enabled.	The hotel attribute for per-tax inclusivity is enabled.	A flat per night package item is setup with a price of $100 on February 28, 2017. • And a 10% inclusive package level sales tax is configured and assigned to the package item. • And a $5 exclusive package level resort fee is configured and assigned to the package item.	When the value of the package is calculated for February 28, 2017: • Amount Before Tax = $90.91 • Amount After Tax = $105 • Sales Tax = $9.09 • Resort Fee = $5.00

- **Amount Based** - Calculation: Tax Amount X Quantity of Package Item = Total Tax
- **Percentage Based -** Calculates based upon the value enters.
- Taxes are applied with the same frequency of that of the package, for example, if the Package Item is priced per adult, per stay, the Package Tax is applied the same way.
- For Voice Agent and REZbooker Booking Engine, you can configure taxes to show as individual line items by night or as a total for the stay.

Other Tax Related Settings

In addition to general tax set up, some CentralREZ pages include tax settings. Adjust as needed to support your tax policies.

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Description	Actions
As necessary, review reports to verify taxes.	• ***Reports > Reports > Availability Audit Report*** • ***Reports > Reports > Rates > Configured Rates*** • ***Reports > Reports > Inventory - Failed Availability*** • ***Reports > Reports > Property - HOD Property Info Report*** • ***Reports > Reports > Property - HOD /HDC History Report*** • ***Reports > Reports > Property - Property Information***
If desired, edit Cancel Policy to determine if Cancel Charge includes Tax.	• ***Setup > Property > Policies > Cancel Policies***