### Maryland Lodging Tax Comparison

Allegany County	8%
Anne Arundel County	7%
Baltimore City	9.5%
Baltimore County	8%
Calvert County	5%
Caroline County	5%
Carroll County	5%
Cecil County	3%
Charles County	5%
Dorchester County	5%
Garrett County	6%
Harford County	6%
Harmond Country	7%
Howard County	170
Frederick County	3%
Frederick County	3%
Frederick County Kent County	<b>3%</b> 5%
Frederick County Kent County Montgomery County	3% 5% <b>7%</b>
Frederick County Kent County Montgomery County Prince George's County	3% 5% <b>7%</b> 7%-12%
Frederick County Kent County Montgomery County Prince George's County Queen Anne's County	3% 5% <b>7%</b> 7%-12% 5%
Frederick County Kent County Montgomery County Prince George's County Queen Anne's County Somerset County	3% 5% <b>7%</b> 7%-12% 5% 5%
Frederick County Kent County Montgomery County Prince George's County Queen Anne's County Somerset County St. Mary's County	3% 5% <b>7%</b> 7%-12% 5% 5%
Frederick County Kent County Montgomery County Prince George's County Queen Anne's County Somerset County St. Mary's County Talbot County	3% 5% 7% 7%-12% 5% 5% 5% 4%
Frederick County Kent County Montgomery County Prince George's County Queen Anne's County Somerset County St. Mary's County Talbot County Washington County	3% 5% 7% 7%-12% 5% 5% 4% 6%

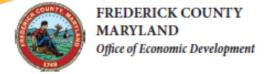
### **Key Facts:**

- Maryland's Lodging Tax average is 6%
- $\bullet$  80% of the hotel rooms in Maryland are currently taxed at a rate higher than 5%
- Even after raising the hotel rental tax rate from 3%-5%, 80% will still be taxed at a higher rate than Frederick County
- In the last 12 months, 552,817 room nights were utilized in Frederick County hotels
- Taxes collected from other hotels will not be paying for the Downtown Frederick Hotel & Conference Center, only the tax increase collected from the Downtown Frederick Hotel & Conference Center will be used to pay down the public portion of that facility



### **Funding Information**

Annual hotel room rental revenue	\$46,459,167
Hotel tax collections at 3% (12 months)	\$1,393,775
Collection per 1 percentage point of tax rate	\$464,592
Revenue at hypothetical 5% tax rate	\$2,322,958
County Admin. Fee	-\$35,100
Net of County Admin Fee	\$2,285,791
Visitor Center set aside (10%)	-\$228,579
NET AVAILABLE FOR PROGRAMS	\$2,057,212
12.5% of NAP for Main Streets	\$257,151
12.5% of NAP for expanded TRIPP	\$257,151
12.5% of NAP for Destination Development	\$257,151
62.5% for Visit Frederick marketing & ops	\$1,285,757



### Countywide Benefits

 Supported by: Frederick County Maryland Municipal League (MML), Frederick County Chamber of Commerce, Tourism Council of Frederick County, Downtown Frederick Partnership and City & County Economic Development offices

Revenues from the Frederick County Hotel Revenue Tax (HRT) support the following areas:

- County's cost of collecting taxes (about 3%)
- Visitor Center fund (10%)
- Main Streets marketing program
- Expand non-profits that promote tourism through Tourism Reinvestment in Promotion and Product (TRIPP) (12.5%)
- Destination economic development (12.5%)
- Frederick County hotel development initiative program up to 70% of the HRT collected from a facility in the program for servicing public improvement construction debt capital expenditures required for the project for up to 25

#### Other Benefits:

• The hotel tax increase will have positive revenue implications countywide, including Brunswick,

Middletown, Thurmont, Frederick and possible Main Street Affiliates.

• TRIPP has awarded over \$2M to local nonprofits attractions and event organizers to support their efforts

to attract visitors to Frederick County



**Group Overnight Incentive Program** 

- This component of the TRIPP program provides a cash incentive for organizations that generate a quantity of overnight hotel stays in Frederick County during FY17.
- Eligibility Eligibility for the incentive program is the same as for other elements of the TRIPP program.
- Minimum number of rooms At least ten hotel room nights at one property must be sold as the result of the applicant's event or attraction
- Amount of incentive \$10 per room night.
- Maximum amount of incentive The maximum cash payment that will be made to a single organization is \$4,000 in a single calendar month, beginning with July 2017.

MARYLAND

Office of Economic Development