



OFFICE OF THE CITY AUDITOR
Long Beach, California

R-25

LAURA L. DOUD, CPA
City Auditor

August 5, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Report on Transient Occupancy Tax Audits for 2005 through 2007.

DISCUSSION

Background

Long Beach Municipal Code (LBMC) 3.64 authorizes the City to levy transient occupancy taxes (TOT) on individuals who occupy a hotel/motel room in Long Beach for a period of 30 days or less. The tax is collected by the hotel/motel operator and remitted to the City on a monthly basis. The current TOT rate is 12%; six percent is deposited in the city's General Fund; and six percent is for revenue purposes needed for the City's Special Advertising and Promotion Fund. (Note that in the Downtown Redevelopment Area, the TOT is also 12%, with half going to the General Fund and half collected by the Redevelopment Agency under its own ordinance.) In fiscal years 2006 and 2007, the City collected \$16.5 million and \$18.3 million in TOT revenues, respectively.

In May 2005, the City Council amended the TOT of the Long Beach Municipal Code, resulting in changes that improved documentation requirements, clarified Code ambiguities, and updated the ordinance for changes in technology and state law. Following the TOT Municipal Code changes, a program to audit hotels and motels citywide was initiated. The audits served a dual purpose: to instruct the hotel/motel operators of the City's TOT ordinance changes and to ensure that operators were properly remitting TOT to the City. The attached report represents the results of the TOT audits from 2005 through 2007.

The Office of the City Auditor will continue to monitor compliance with all aspects of our transient occupancy tax in 2008 and beyond, including provisions related to required tax refunds for those occupants who stay in a hotel for more than 30 days. Because these provisions are administratively cumbersome and negatively impact the revenue generation of our transient occupancy tax, we recommend that they be considered at a future date for possible amendment. However, because such a revision would require a vote of the people under Proposition 218, we recommend that this topic be revisited at such a time when the City contemplates a holistic revision of its transient occupancy tax.

Honorable Mayor and City Council
City of Long Beach
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TIMING CONSIDERATIONS

This report is not time-sensitive.

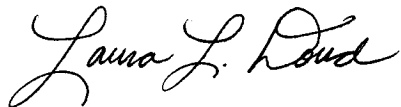
FISCAL IMPACT

\$149,629 of delinquent TOT taxes have been collected as a result of the 2005-2007 TOT audits, as detailed in the attached report.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Laura L. Doud".

LAURA L. DOUD, CPA
CITY AUDITOR

ATTACHMENT: Report on Transient Occupancy Tax 2005-2007

Report on Transient Occupancy Tax 2005-2007

August 2008



OFFICE OF THE CITY AUDITOR

LAURA L. DOUD, CPA
CITY AUDITOR

City of Long Beach, California

Report on Transient Occupancy Tax 2005-2007

August 5, 2008



Audit Staff

City Auditor: Laura L. Doud
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Deputy City Auditor: Janet I. Day

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Executive Summary

Chapter 3.64 Transient Occupancy Tax (TOT) of the Long Beach Municipal Code was amended by City Council on May 24, 2005. The Code amendment resulted in several changes that improved documentation requirements, clarified ambiguities in the Code, and provided the City with remedies to collect unpaid and underpaid TOT. TOT represents a significant revenue source for the City. In 2007, over \$18 million in TOT revenues were realized.

Following the Municipal Code changes, the City was responsible for informing the approximately 113 hotel operators of the Code changes. To ensure that the TOT taxes were properly remitted, periodic TOT audits were also needed. Prior to 2005, TOT audits were conducted sporadically.

The City's Department of Financial Management initiated a program to audit all hotels citywide over a three-year period. Each hotel is audited at least once every three years for the prior three-year period, and the largest eight hotels in the City are audited annually. In 2006, the newly elected City Auditor administration took over the responsibility for the TOT audits. The TOT audits served dual purposes: to instruct hotel/motel operators on the TOT Code changes to maximize their ability to comply with the City's TOT ordinance and to ensure that operators were properly remitting TOT to the City.

The results of the audits conducted between 2005 and 2007 are indicated in the Chart below.

Transient Occupancy Tax Revenues Resulting from TOT Audits 2005-2007

Year	# of Hotels Audited	Audit Finding	Amount Collected	Balance Due
2005	43	\$194,912	\$112,346	\$82,566*
2006	42	\$23,852	\$21,163	\$2,689
2007	44	\$17,531	\$16,120	\$1,410
Total:	129	\$236,295	\$149,629	\$86,665

*Balance was referred to the City Attorney for collection.

The Office of the City Auditor plans to continue a program of regular TOT audits to ensure compliance with the TOT Code and proper collection of TOT revenues.

Objective, Scope and Methodology

The objective of the TOT audits is to ensure that hotel/motel operators are complying with the TOT ordinance and remitting the proper amount of TOT to the City. In addition, another objective has been to instruct the hotel/motel operators on the TOT Code changes to maximize their ability to comply with the City's TOT ordinance.

To complete the TOT audits, the following procedures were performed:

1. Notified each hotel/motel within the City of the upcoming audit. Included a listing of data that must be made available at the time of the site visit. The operator was advised that they would be contacted in 30 days to schedule an appointment for the on site audit.
2. Provided the hotel/motel operator with a current copy of the City's transient occupancy tax ordinance. A review of the requirements for record keeping and exemption qualifications within the ordinance was conducted with the appropriate hotel/motel staff.
3. Tested daily, monthly and annual revenue records for consistency with filed returns. Tested individual guest records to ensure that procedures were in place to support complete reporting of all revenues received by the hotel/motel.
4. Tested exempted revenues for accuracy and complete documentation as required by the City's ordinance. Tested individual guest records for proper qualification of those exempted revenues.
5. When available, reviewed the bank deposit history and federal tax filings and tested for consistency with TOT returns filed with the City.
6. Documented the findings of the field review, including tax due, interest and penalties, if applicable. Sent a letter of the findings to the hotel/motel operator.

Background Information

Section 7280 of the California Revenue and Taxation Code permits the legislative bodies of any city or county in the State of California to impose an occupancy tax for the privilege of occupying a room in a hotel, motel, or other lodging. This tax applies to any person, who is not exempt from such a tax, unless the occupancy is for any period of more than 30 days.

Chapter 3.64 of the Long Beach Municipal Code, established by City Council Ordinance, sets forth the City's regulations for the Transient Occupancy Tax including TOT administration, tax rate imposed, collection, refunds, records, penalties, etc. Transit Occupancy Tax is levied on individuals who occupy a hotel room in the City of

Long Beach for a period of 30 days or less. The tax is collected by the hotel operator and remitted to the City on a monthly basis. The City's Department of Financial Management is responsible for the collection and administration of TOT.

The current TOT Rate is twelve percent; six percent is deposited in the City's General Fund; and six percent is for revenue purposes needed for the City's Special Advertising and Promotions Fund. In the Downtown Redevelopment Area, the TOT is also 12%, with half going to the General Fund and half collected by the Redevelopment Agency under its own ordinance. TOT revenues from fiscal year (FY) 2000 through FY 2007 were as follows:

Fiscal Year	General Fund	Special Ad. & Promotion	Redevelopment Agency	Total	% Increase
2000	\$ 6,193,265	\$3,149,920	\$2,727,494	\$12,070,679	
2001	6,667,920	\$3,194,518	2,832,238	12,694,676	5.17%
2002	6,223,373	\$3,619,532	2,603,841	12,446,746	(1.95%)
2003	6,566,720	\$3,789,210	2,777,511	13,133,441	5.52%
2004	7,044,122	\$4,144,917	2,899,206	14,088,245	7.27%
2005	7,763,905	\$4,503,108	3,260,740	15,527,753	10.22%
2006	8,273,376	\$4,639,509	3,634,277	16,547,522	6.57%
2007	<u>9,154,215</u>	<u>\$5,121,919</u>	<u>4,033,296</u>	<u>18,309,430</u>	10.65%
Total:	\$57,887,256	\$32,162,633	\$24,768,603	\$114,818,492	

TOT Ordinance Changes

On May 24, 2005, City Council amended Chapter 3.64 of the Long Beach Municipal Code to incorporate changes in State Law as well as changes resulting from the Internet and computer technology. The ordinance change mandated that hotels maintain specific records and provided for penalties for non-compliance with the TOT ordinance. The following summarizes the changes to Chapter 3.64 Transient Occupancy Tax, of the Long Beach Municipal Code:

- Clarified the definitions of Guest Room, Hotel, Occupancy, Operator and Rent to remove ambiguity.
- Clarified that "Secondary Operators" have the same duties and responsibilities as the principal operator of the hotel collecting TOT. The definition of Secondary Operator includes on-line hotel reservation services.
- Provides for a Tax Clearance Certificate (State Law) for the purchaser of a hotel to establish that the hotel has no unpaid taxes to the City; adds an administrative fee of \$100 per hour, not to exceed \$1,500, to cover the cost of a City audit and issuance of the Tax Clearance Certificate.

- Clarifies that TOT cannot be included in the rent, that it must be itemized separately on the hotel bill.
- Expands on the refund procedures. Clarifies that refunds of TOT from the fund into which it was originally deposited.
- Allows for the city to collect four years unpaid taxes (State Law). Presently, the City goes back three years.
- Requires the hotel operator to keep records for five years to facilitate auditing four years' tax returns.
- Adds documentation requirements that are already being followed by most hotels, including guest registration cards that are prenumbered with consecutive numbers that must be accounted for.
- Provides for TOT tax hearing and appeal procedures with appeal fees, similar to those procedures provided for business license tax.
- Makes the hotel operator, who collected TOT and held it in trust for the City, personally liable for any unpaid tax, when the hotel ceases operations.
- Provides for property liens, following a resolution of the City Council, for unpaid taxes.
- Adds a 1 percent per month penalty to past due TOT, starting at 60 days past due.
- Provides for the hotel operator to pay for the cost of the City audit (not to exceed \$1,500) when the audit discloses underreporting or underpayment of 10 percent or more of the tax.

2005 – 2007 Audit Findings by Hotel/Motel

2005 Audit Findings

	<u>Hotel</u>	<u>Audit Assessment</u>	<u>Amount Paid</u>	<u>Amount Due</u>	<u>Date Paid</u>	<u>Notes</u>
1	Alamo Motel	\$3,412.58	\$3,412.58	\$0.00	12/28/2006	
2	Aqua Venture Inn	-	-	-	-	
3	Atlantic Blvd. Motel	\$56.64	\$56.64	-	6/22/2006	
4	Beach Inn Motel	-	-	-	-	
5	Belmont Shore Inn	-	-	-	-	
6	Best Western of Long Beach	\$2,724.72	\$2,724.72	-	6/12/2006	
7	Carlton Motel	-	-	-	-	
8	Club Motel	\$27,499.50	-	\$27,499.50	-	Note 3
9	Colonial Inn Motel	-	-	-	-	
10	Crest Motel	-	-	-	-	
11	Dolly Varden	-	-	-	-	
12	Don's Hotel	\$149.58	\$149.58	\$0.00	6/9/2006	
13	Greenleaf Hotel	-	-	-	-	
14	Guest House Hotel	\$8,547.87	\$8,547.87	\$0.00	6/30/2006	
15	Hilton Long Beach	-	-	-	-	
16	Holiday Inn Long Beach Airport	-	-	-	-	
17	Hyatt Regency Long Beach	-	-	-	-	
18	Inn of Long Beach	\$1,980.74	\$1,980.74	\$0.00	6/22/2006	
19	Kay's Motel	-	-	-	-	
20	Long Beach Airport Marriott	\$50,752.68	\$50,752.68	\$0.00	7/26/2006	Note 1
21	Long Beach Courtyard by Marriott	\$6,644.53	\$6,644.53	\$0.00	12/7/2006	Note 2
22	Long Beach Motel	-	-	-	-	
23	Marina Motel	-	-	-	-	
24	Motel 6	-	-	-	-	
25	Pacifica Motel	\$36,613.63	-	\$36,613.63	-	Note 3
26	Park Hotel	\$18,452.91	-	\$18,452.91	-	Note 3
27	Plaza Hotel	-	-	-	-	
28	Poolside Motel	-	-	-	-	
29	Queen Mary	\$23,197.41	\$23,197.41	\$0.00	10/30/2006	
30	Renaissance Long Beach Hotel	\$2,287.73	\$2,287.73	\$0.00	6/12/2006	
31	Rocky Inn Motel	-	-	-	-	
32	Sea Bright Motel	-	-	-	-	
33	Sea Port Marina Hotel	\$3,274.44	\$3,274.44	\$0.00	6/28/2006	
34	Stallion Inn Motel	-	-	-	-	
35	Sunlight Motel aka San Antonio Motel	-	-	-	-	
36	Surf Motel	-	-	-	-	
37	Tower Motel	-	-	-	-	
38	Travel Eagle Inn	-	-	-	-	
39	Travel King Motel	-	-	-	-	
40	Tuk-U-Inn	-	-	-	-	
41	Unity Motel	-	-	-	-	
42	Waite Motel	-	-	-	-	
43	Westin Long Beach	<u>\$9,316.79</u>	<u>9,316.79</u>	<u>\$0.00</u>	6/15/2006	
		\$194,911.75	\$112,345.71	\$82,566.04		

Note 1: Penalties for LB Airport Marriott of \$25,360 were waived.

Note 2: Penalties for LB Courtyard Marriott of \$3,322 were waived.

Note 3: Accounts were referred to the City Attorney for collection.

Transient Occupancy Tax

2006 Audit Findings

<u>Hotel</u>	<u>Audit</u>			<u>Date Paid</u>	<u>Notes</u>
	<u>Assessment</u>	<u>Amount Paid</u>	<u>Amount Due</u>		
1 All 8 Motel	\$0.00	-	-	-	
2 Aloha Motel	\$0.00	-	-	-	
3 American Inn	\$0.00	-	-	-	
4 Arlington Motel	\$0.00	-	-	-	
5 Avon Hotel	\$0.00	-	-	-	
6 Beacon Motel	\$0.00	-	-	-	
7 Bristol Hotel	\$0.00	-	-	-	
8 City Center Days Inn	\$0.00	-	-	-	
9 Coast Motel	\$0.00	-	-	-	
10 Coronado Motel	\$0.00	-	-	-	
11 Dockside Boat & Bed	\$0.00	-	-	-	
12 El Capitan Motor Inn	\$0.00	-	-	-	
13 Extended Stay America #932	\$0.00	-	-	-	
14 Flamingo In motel	\$0.00	-	-	-	
15 Golden Sails Resort Hotel	\$0.00	-	-	-	
16 Hyland Inn	\$0.00	-	-	-	
17 Comfort Inn aka Intl. Inn	\$0.00	-	-	-	
18 Residence Inn	\$0.00	-	-	-	
19 Courtyard by Marriott	\$0.00	-	-	-	
20 LB Airport Marriott	\$11,195.54	11,195.54	-	4/10/2007	Note 4
21 Holiday Inn Long Beach Airport	\$0.00	-	-	-	
22 Renaissance Long Beach	\$0.00	-	-	-	
23 La Mirage Inn	\$0.00	-	-	-	
24 Hotel De La Pasada	\$0.00	-	-	-	
25 Long Beach Days Inn	\$0.00	-	-	-	
26 Lord Mayor's Inn	\$0.00	-	-	-	
27 Monterey Motel	\$0.00	-	-	-	
28 Oak Tree Inn	\$0.00	-	-	-	
29 Palace Hotel	\$0.00	-	-	-	
30 Raymoure Motel	\$0.00	-	-	-	
31 Royal Hotel	\$0.00	-	-	-	
32 Ruby Motel	\$0.00	-	-	-	
33 Sea Breeze Motel	\$0.00	-	-	-	
34 Star Motel	\$0.00	-	-	-	
35 Sunshine Motel	\$0.00	-	-	-	
36 Travelodge Long Beach	\$0.00	-	-	-	
37 Vagabond Inn	\$0.00	-	-	-	
38 Westcoast Long Beach Hotel	\$2,222.19	2,222.19	-	4/20/2007	
39 Long Beach Hilton	\$1,234.67	1,234.67	-	6/28/2007	
40 Hyatt Regency Long Beach	\$0.00	-	-	-	
41 Queen Mary	\$6,510.13	6,510.13	-	4/9/2007	
42 Westin Long Beach	\$2,689.35	-	2,689.35	-	
	\$23,851.88	\$21,162.53	\$2,689.35		

Note 4: Penalties for LB Airport Marriott of \$5,301 were waived.

Transient Occupancy Tax

2007 Audit Findings

<u>Hotel</u>	<u>Audit Assessment</u>	<u>Amount Paid</u>	<u>Difference</u>	<u>Date Paid</u>
1 Alpine Motel	-	-	-	-
2 Argonne Motel	\$4,098.57	4,098.57	-	-
3 Avalon Motel	-	-	-	-
4 Bay Hotel	-	-	-	-
5 Bel Shore Motel	-	-	-	-
6 Best Western Hotel	-	-	-	-
7 Bixby Knolls Motel	-	-	-	-
8 Busy Eagle Inn, Inc.	-	-	-	-
9 City Center Motel	-	-	-	-
10 College Inn	-	-	-	-
11 Courtyard by Marriott	-	-	-	-
12 Galanis, Jerry	-	-	-	-
13 Grace hotel	-	-	-	-
14 Haystack Motel	-	-	-	-
15 Holiday Inn Downtown Long Beach	-	-	-	-
16 Holiday Inn Long Beach Airport	\$288.57	-	288.57	-
17 Hotel D'Artistes, LLC	-	-	-	-
18 Hyatt Regency Long Beach	-	-	-	-
19 Hyland Motel	-	-	-	-
20 Joyland Motel	-	-	-	-
21 Kearney Motel	-	-	-	-
22 Liberty Hotel	-	-	-	-
23 Long Beach Airport Marriott	-	-	-	-
24 Long Beach Hilton	807.46	807.46	-	1/18/2008
25 Long Beach Inn Motel	-	-	-	-
26 Magnolia Motel	85.80	85.80	-	12/5/2007
27 McIntosh, Geoffrey K.	-	-	-	-
28 Motel 6 - PCH	-	-	-	-
29 Motel 6 #1312	-	-	-	-
30 Oliver Hotel	-	-	-	-
31 Palms Hotel	-	-	-	-
32 Princess Inn	-	-	-	-
33 Queen Mary	11,128.49	11,128.49	-	11/16/2007
34 Renaissance Long Beach	-	-	-	-
35 Rodeway Inn	-	-	-	-
36 Royal Inn Motel	-	-	-	-
37 Sakuda Inn	-	-	-	-
38 Searle Motel	-	-	-	-
39 Slumber Inn	-	-	-	-
40 State Motel	-	-	-	-
41 Super 8 Motel Long Beach	-	-	-	-
42 Travel King Motel	-	-	-	-
43 Village Hotel-Greenmeadow	-	-	-	-
44 Village Hotel - Village	-	-	-	-
45 Walls Motel	-	-	-	-
46 Westin Long Beach	1,121.73	-	1,121.73	-
Total	\$17,530.62	\$16,120.32	\$1,410.30	

Transient Occupancy Tax
2005-2007 Audit Assessments

	<u>Audit Assessment</u>	<u>Amount Paid</u>	<u>Balance Due</u>
2005 Audit Findings	\$194,912	\$112,346	\$82,566 *
2006 Audit Findings	\$23,852	\$21,163	\$2,689
2007 Audit Findings	<u>\$17,531</u>	<u>\$16,120</u>	<u>\$1,411</u>
TOTAL	\$236,295	\$149,629	\$86,666

* Amount has been referred to the City Attorney for collections

Transient Occupancy Tax
 2005-2007 Audit Assessments - Unpaid Balances
 Updated: 05/21/08

<u>Hotel</u>	<u>Audit Assessment</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Balance Due</u>	<u>Comments</u>
2005 Audit Findings					
1 Club Motel	\$27,499.50	-		\$27,499.50	In Collections
2 Pacific Motel	\$36,613.63	-		\$7,747.52	In Collections
3 Park Hotel	<u>\$18,452.91</u>	-		<u>\$18,452.91</u>	In Collections
	\$82,566.04	-		\$53,699.93	
2006 Audit Findings					
1 Long Beach Airport Marriott	\$16,496.54	11,195.54	4/10/2007	5,301.00	-
5 Westin Long Beach	<u>\$2,689.35</u>	-	-	<u>2,689.35</u>	-
	\$19,185.89	\$11,195.54		\$7,990.35	
2007 Audit Findings					
1 Holiday Inn Long Beach Airport	\$288.57	-	-	288.57	
2 Westin Long Beach	<u>\$1,121.73</u>			<u>1,121.73</u>	
Subtotal 2007	\$288.57			288.57	
TOTAL:	\$102,040.50	\$11,195.54	\$0.00	\$61,978.85	

APPENDIX A

OFFICE OF THE CITY AUDITOR
 TRANSIENT OCCUPANCY TAX
 HOTEL EXEMPTIONS CLAIMED ON GROSS REVENUE
 JANUARY 1, 2007 - DECEMBER 31, 2007

Hotel Name	Percent of Exemptions from Gross Receipts (a)
1 Alamo Hotel	89.24%
2 All 8 Motel	42.28%
3 Alpine Motel	0.00%
4 Aqua Venture Inn	76.52%
5 Argonne Motel	86.81%
6 Arlington Motel	70.12%
7 Avalon Motel	28.35%
8 Avon Hotel	100.00%
9 Bay Hotel	98.63%
10 Beach Inn Motel	27.57%
11 Beach Plaza Hotel	10.82%
12 Beach Runners Inn	0.00%
13 Beacon Motel	0.00%
14 Bel Shore Motel	100.00%
15 Belmont Shore Inn	23.10%
16 Best Western Hotel - First Street Management	0.03%
17 Best Western Hotel of Long Beach	0.68%
18 Bixby Knolls Motel	36.63%
19 Bristol Motel	23.65%
20 Carlton Motel	62.79%
21 City Center Days Inn	0.00%
22 City Center Motel	61.81%
23 Club Motel	92.47%
24 Coast Long Beach Hotel	0.77%
25 Coast Motel	31.59%
26 College Inn	29.29%
27 Colonial Inn	0.00%
28 Comfort Inn & Suites	31.57%
29 Coronado Motel	76.05%
30 Courtyard by Marriott	1.67%
31 Crest Motel	50.02%
32 Dockside Boat & Bed	0.00%
33 Dolly Varden	92.16%
34 Don's Hotel	29.02%
35 Eagle Inn (Busy Eagle Inn)	62.08%
36 El Capitan Motor Inn	59.21%
37 Equity Corporate Housing	91.50%
38 Eurocan Enterprise Inc.	29.46%
39 Extended Stay America	40.96%
40 Flamingo Inn Motel	0.00%
41 Golden Sails Hotel	35.23%
42 Grace Hotel	90.67%
43 Greenleaf Hotel	0.00%
44 Guest House Hotel Long Beach	18.65%
45 Haystack Motel	22.22%
46 Hiland Motel, 1441 W. Pacific Coast HWY	68.21%
47 Hilton Long Beach (Hei Long Beach LLC)	1.92%
48 Holiday Inn Express	0.65%
49 Holiday Inn-LB Airport	1.42%
50 Hotel De La Pasada Hotel	97.18%
51 Hyatt Regency, 200 S. Pine Ave	1.23%

OFFICE OF THE CITY AUDITOR
 TRANSIENT OCCUPANCY TAX
 HOTEL EXEMPTIONS CLAIMED ON GROSS REVENUE
 JANUARY 1, 2007 - DECEMBER 31, 2007

Hotel Name	Percent of Exemptions from Gross Receipts (a)
52 Hyland Inn	76.97%
53 Inn of Long Beach	0.00%
54 Joyland Motel	10.20%
55 Kay's Motel	16.68%
56 Kearney Motel	28.01%
57 La Bonita Inn	38.22%
58 La Mirage Inn	25.42%
59 Liberty Hotel	92.22%
60 Long Beach Airport Marriott	0.24%
61 Long Beach Days Inn	0.05%
62 Long Beach Inn	17.57%
63 Long Beach Motel	44.51%
64 Marina Motel	38.03%
65 McIntosh, Geoffrey K	100.00%
66 Monterey Motel	0.28%
67 Motel 6 #1312	0.00%
68 Motel 6 c/o Mahendra Shah	4.57%
69 Oak Tree Inn Motel	43.57%
70 Oliver Hotel	100.00%
71 Pacifica Motel	76.33%
72 Palms Motel	37.58%
73 Park Hotel	77.26%
74 Plaza Hotel c/o Kay Mendoza	100.00%
75 Poolside Motel	19.05%
76 Princess Inn	95.20%
77 Queen Mary	0.00%
78 Raymoure Motel/Patel	0.00%
79 Renaissance Long Beach Hotel	0.70%
80 Residence Inn Co LP, The	29.30%
81 Roadway Inn	0.16%
82 Rocky Inn Motel	55.13%
83 Royal Hotel	84.97%
84 Royal Inn Motel	13.10%
85 Ruby Motel	49.71%
86 Sakuda Inn	100.00%
87 Sandpiper Inn	0.00%
88 Sea Breeze Motel	53.01%
89 Sea Port Marina Hotel	22.08%
90 Seabright Motel	72.36%
91 Searle Motel	41.63%
92 Slumber Inn	0.00%
93 Stallion Inn Motel	0.00%
94 Star Motel	16.41%
95 State Motel	64.89%
96 Sun Light Motel	76.79%
97 Sunshine Motel	34.79%
98 Super 8 Motel	0.00%
99 The Turret House	0.00%
100 Tower Motel	26.61%
101 Travel Eagle Inn	54.53%
102 Travel King Motel	28.24%

OFFICE OF THE CITY AUDITOR
TRANSIENT OCCUPANCY TAX
HOTEL EXEMPTIONS CLAIMED ON GROSS REVENUE
JANUARY 1, 2007 - DECEMBER 31, 2007

Hotel Name	Percent of Exemptions from Gross Receipts (a)
103 Travel King Motor Inn	12.09%
104 Unity Hotel	100.00%
105 Urban Hotel Group LLC	97.44%
106 Vagabond Inn	61.47%
107 Village Hotel, 4406 Greenmeadow Road	89.84%
108 Village Hotel, 4430 Village Road	100.00%
109 Walls Motel	0.00%
110 Westin Long Beach, 333 E. Ocean Blvd.	1.35%

(a) Percent of exemptions from gross receipts is calculated as follows: [reported exemptions divided by reported gross receipts].