



Hotel Occupancy Tax: Reviews & Audits, Records & Exemptions

The City of San Antonio Finance Department conducts Hotel Occupancy Tax (HOT) reviews of short-term rental properties. These reviews are performed under the City's Hotel Occupancy Tax Ordinance to verify the accuracy of filed HOT reports and to address questions regarding local tax requirements.

How Properties Are Selected

According to the Finance Department, reviews are selected randomly as part of its ongoing compliance program. Selection for review does not necessarily indicate that an issue has been identified with a property's tax filings.

What Is Reviewed?

Most reviews begin with a limited sample rather than a review of every reservation ever booked.

Typically, the City will identify:

- a specific property;
- a limited review period, often three months; and
- the records needed to support the HOT returns filed during that period.

Reviewers verify:

- gross receipts from sleeping accommodations;
- nightly room rates;
- cleaning fees, pet fees, and other taxable charges;
- claimed exemptions and supporting documentation; and
- tax calculations and amounts reported to the City via hoteltaxonline.com.

The reviewer will request which platforms are used for bookings as reviews include reservations from any booking source, including Airbnb, VRBO, Booking.com, Expedia, Tripadvisor, Homestay, Facebook listings, direct bookings, and other platforms.

How Reviews Are Conducted

Reviews may be conducted electronically or on-site. In many cases, the review can be completed virtually through the submission of electronic records.

You will receive a letter, a review notice, which will identify:

- the property being reviewed – by address/STR permit number;
- the sample months selected;
- the review date; and
- the deadline for submitting documentation.

The review date shown on the notice may represent the City's internal review date and does not necessarily indicate an in-person meeting.

If the scheduled date creates a conflict, operators should contact the Finance Department as soon as possible. The City has indicated that review schedules can often be adjusted when necessary.

What Documents May Be Requested?

The Finance Department will request:

- check-in and check-out dates;
- nightly room rates;
- cleaning fees, pet fees, and other charges;
- Airbnb/VRBO and other OTA/reservation platform earnings or payout reports;
- exemption certificates and supporting documentation; and
- reservation records supporting reported revenue

Examples of acceptable Airbnb and VRBO documentation will be included with the review notice.

What Happens During the Review?

The review typically begins with a brief discussion with the property owner, manager, or person responsible for filing HOT reports. The purpose is to understand how reservations are managed, how records are maintained, and how HOT returns are prepared.

If the documentation supports the amounts reported, the review may conclude after the initial sample period. Additional information may be requested if questions arise or if discrepancies are identified.

Record Retention

Operators should maintain records dating back at least four years that support all HOT filings, including:

- reservation records;
- platform earnings reports;
- exemption documentation;
- copies of HOT returns; and
- supporting financial records.

Records should be retained even if:

- the property is sold;
- the permit expires;
- the operator leaves the short-term rental business; or
- the property is converted to another use.

A review may involve prior reporting periods, and operators remain responsible for maintaining records that support previously filed tax returns.

Best Practice: Keep HOT-related records for a minimum of four years from the date the tax return was filed. Electronic copies are generally easier to store and retrieve if documentation is requested during a future review.

If Additional Tax Is Determined To Be Due

If a review identifies reporting discrepancies, the City may assess additional tax, penalties, or interest as provided by ordinance. Operators should respond promptly to review notices and requests for information.

Frequently Asked Questions

Does receiving a review notice mean the City believes I did something wrong?

No. The Finance Department has advised STRASA that reviews are selected randomly as part of its compliance program.

Will the City review every reservation I have ever booked?

Generally, no. Reviews typically begin with a limited sample period and a specific property.

Can the review be completed electronically?

Yes. Many reviews can be completed through electronic submission of records.

What if I cannot make the scheduled review date?

Contact the Finance Department as soon as possible. Review dates can often be adjusted when scheduling conflicts arise.

Do I need to keep records if I stop operating my STR?

Yes. Operators should retain records supporting previously filed HOT returns for **at least four years**, even if the property is sold, the permit expires, the operator leaves the short-term rental business, or the property is converted to another use.

Records that should be retained include reservation records, platform earnings reports, exemption documentation, copies of HOT returns, and supporting financial records. A future review may involve prior reporting periods, and operators remain responsible for maintaining records that support previously filed tax returns.

What are exemptions and what documentation do I need?

Some of your guests may be tax exempt, but the exemptions are different for the State of Texas and the City of San Antonio. Anyone who stays at your STR for more than 30 nights is exempt, and there is special documentation for that – see below.

To learn who is exempt from State of Texas HOT, go [here](#). To learn who is exempt from City/County tax, go [here](#). The term “Permanent Resident” refers to someone who is staying longer than 30 nights.

Airbnb and VRBO must process any exemptions for you; the guest must ask Airbnb for this. Otherwise, for direct or other bookings with exemptions, don’t collect tax from your guest if they are exempt from HOT.

Exemptions are not reported in your monthly gross earnings in hoteltaxonline.com (the Avenu/Neumo portal), as Line A in that portal is where you report **Total Net Taxable Receipts**. So, for net receipts, subtract any exempt stays from your gross income before reporting each month.

If you have a tax exempt guest and you are the merchant of record or take payment directly (i.e. not on Airbnb or VRBO), then make sure you keep the [Texas Hotel Occupancy Tax Exemption Certificate](#) on file with your booking and payment data. The form may be downloaded [here](#), and the form is the same for State, and City/County HOT.

For exemptions for stays longer than 30 nights, the only documentation that is needed is to show that the guest intended to stay for that period of time at the time of booking. So, any messaging you have with the guest at the time of booking that shows the length of stay to be greater than 30 days is sufficient. Otherwise, a text, note, or letter from the guest is needed, with the specific statement that the stay is going to be 31 days or longer.