Phocuswright
Powering great decisions.

Phocuswright White Paper

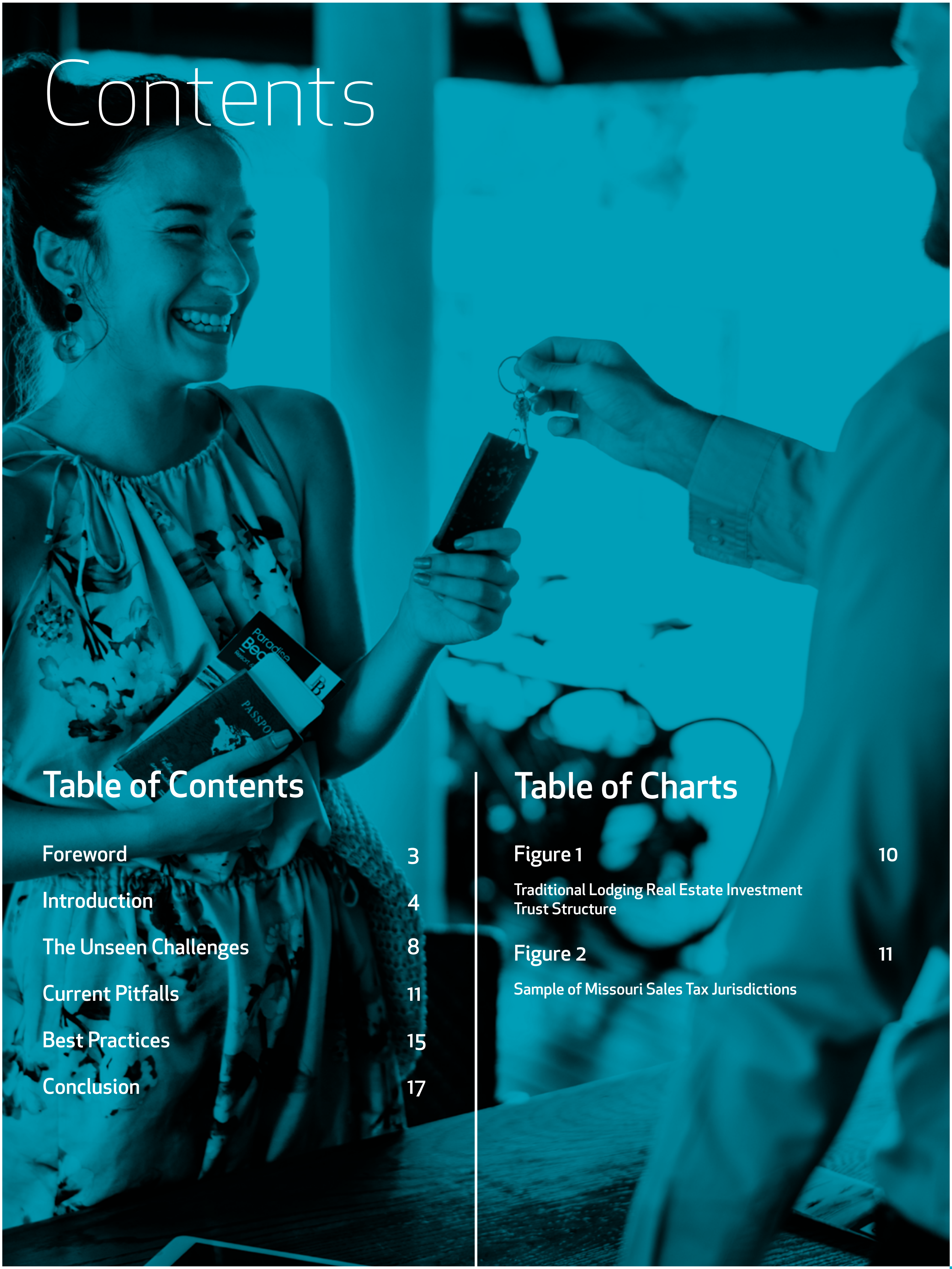
February 2022

# LODGING TAX COMPLIANCE:
# REDUCING RISK AND STREAMLINING EFFICIENCY

In cooperation with

Avalara
Tax compliance done right

Written and researched by
**Robert Cole**



# Contents

## Table of Contents


Foreword 3

Introduction 4

The Unseen Challenges 8

Current Pitfalls 11

Best Practices 15

Conclusion 17


## Table of Charts


Figure 1 10

Traditional Lodging Real Estate Investment Trust Structure

Figure 2 11

Sample of Missouri Sales Tax Jurisdictions

# Foreword

Time and again the travel and hospitality industries have proven their resilience. The evolution of traveler expectations over recent years – and certainly since the onset of the pandemic – has transformed nearly everything about how hotels do business, and nothing stands out quite as starkly today as the shift in traveler behavior.

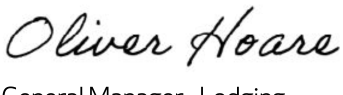
Despite the massive revenue losses endured in 2020, the industry has once again shown its resilience, with industry stakeholders evolving their businesses in real time to adapt to changing market conditions.

For hotels to succeed in today's market they must consistently track changes in guest preferences to provide an optimal experience – from the initial booking process down to the final guest check-out. To do so, hotels of all sizes are adopting technology tools to ensure that guest expectations for seamlessness, safety, and an optimal experience are met at each step of their interaction with the property – without getting bogged down in manual and inefficient processes.

While most hotels have thus far focused on the guest-facing aspects of technology adoption, the importance of modernizing back-end tech cannot be overlooked. The real winners of the post-pandemic world will be those who have evaluated the true return on investment of both front- and back-end technologies, and seized opportunities to automate manual, inefficient and risk-generating processes. Often overlooked, the mandated collection, reporting and remittance of transactional taxes such as sales and occupancy tax check all three of these boxes, placing a large burden on staff while simultaneously assuming risk should an auditor find any inconsistency in reporting and/or filing.

If we know one thing to be true it is that the hospitality industry will endure. While traveler profiles, intents and logistics may change, they will certainly return. It is up to us to ensure our businesses are prepared to succeed both now and in the future, as our industry plans for forward progress.

**Oliver Hoare**




General Manager - Lodging
Avalara

# Introduction

Every room rental, meal or ancillary retail transaction will typically involve some form of tax, or at least, an accounting of the exemption from such tax. For something so perpetual and pervasive, it is surprising that hotel operators across the spectrum – from the quaintest inns to the most opulent ultra-luxury properties – continually find the processes associated with managing sales and use taxes problematic.

## Hospitality – Structural Layers of Complexity

Compared to other industries, administrative control of lodging operations are exceptionally fragmented. Single properties that were traditionally owned and operated by sole proprietors may now reflect a mix of ownership, management and brand relationships – each operating under independent business models and stakeholder interests.

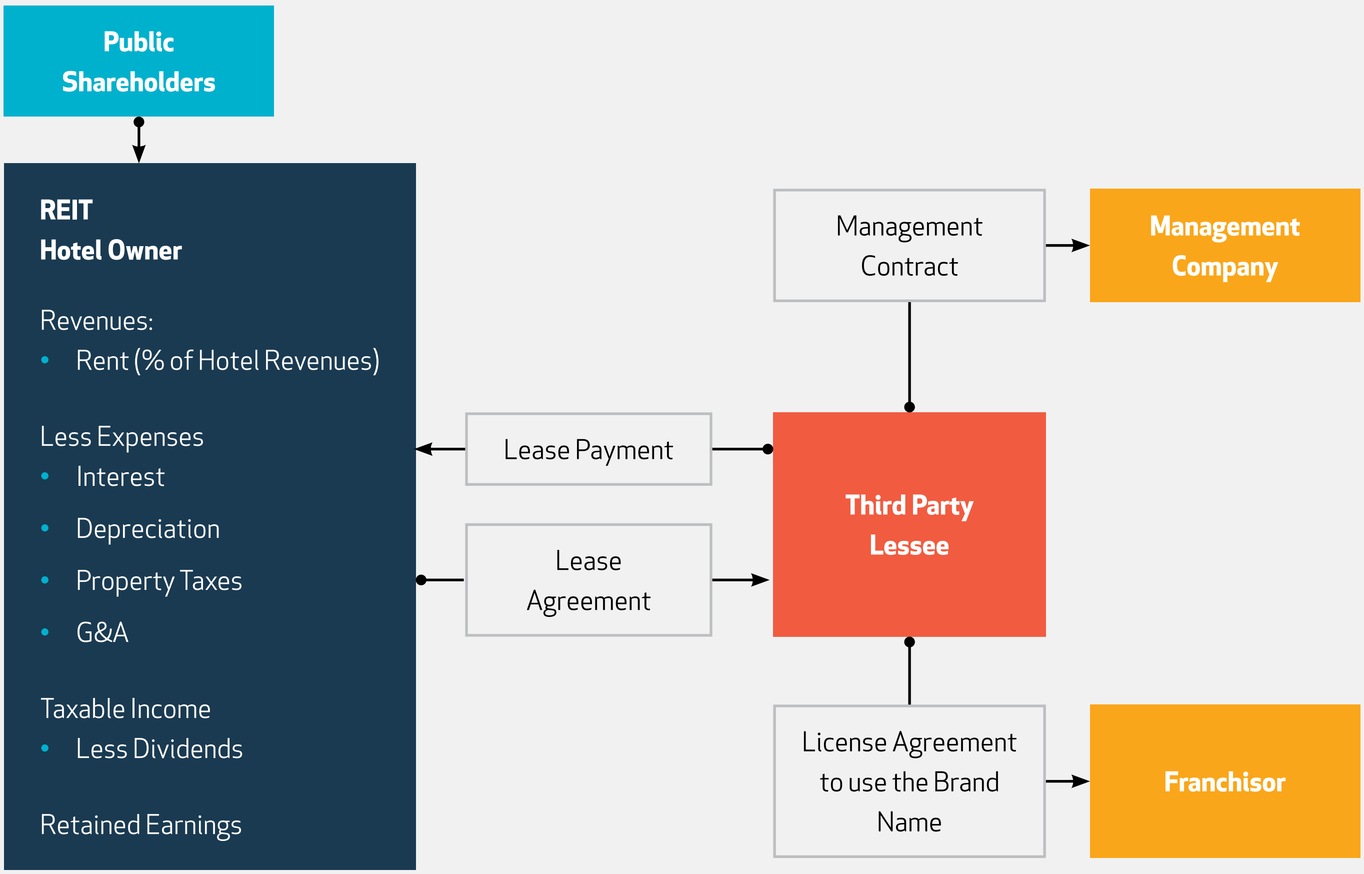
*"By failing to prepare, you are preparing to fail."*

Benjamin Franklin

Hotel owners may range from institutional real estate investors entities such as Real Estate Investment Trusts (REITs) or private equity funds to high-net-worth individuals or family offices. Independent properties may be privately owned and operated, but in the United States most hotels operate under franchise relationships with large hotel brands. Independent hotels also have the option to affiliate with major hotel brands (or branded marketing alliances) under "soft brand" relationships where they retain their individual name and character, but benefit from brand identities, reservation services and reward programs. Marriott, the largest global hotel group, owns only 26 of its 5,500 US hotels; 85% of its U.S. property portfolio operates under franchise agreements.

Responsibility for the processes employed by hotels to calculate, process and file sales and use taxes all begins at the property level and traditionally rests with those responsible for the day-to-day management of the property. Owners and brands not directly engaged in management are rarely involved. When it comes to taxes, the buck stops with the management company.

**Figure 1:**
**Traditional Lodging Real Estate Investment Trust Structure**




*Source: "Organizational Structure in the Hospitality Industry: A Comparative Analysis of Hotel Real Estate Investment Trusts (REITs) and Hotel C-Corporations," Purva Gujar, Massachusetts Institute of Technology, 2012*

The potential for improving operational efficiency and cost saving directly correlates to the scale complexity of a company's hotel operations. Complications in handling tax compliance increase with the number of units under management, size and variety of properties operated, or the number of tax jurisdictions involved.

# Different Properties Dictate Different Processes

Long ago, hotel operators discovered that a "one size fits all" strategy does not fit at all within the hospitality industry. Similarly, a "set and forget" mentality is also a losing proposition in such a highly dynamic 24/7 service industry operation.

Lodging industry tax compliance methods are currently bifurcated, between full-service and select-service properties. Most full-service properties handle their own tax reporting with management oversight by a financial controller and accounting staff. Full-service properties often have multiple operating departments including rooms, food & beverage outlets, meeting and catering business, parking, spa/recreational facilities, etc.

Select-service properties are relatively simple, largely room-centric operations, which may have a small retail shop and minimal meeting room rentals. They typically lack dedicated accounting staff, and the assistant general manager is responsible for collecting and reporting data to a centralized corporate office.

When multiple properties are located in proximity, the cluster may share common administration and shared service functions such as an accounting resource. Depending on the structure and operating philosophy of the management company, that resource may hold total, partial or no responsibility for tax compliance processes.

Lodging tax compliance is a multi-step process that involves every hotel sales transaction, including:

- Exemption Documentation
- Exemption Logging
- Tax Calculation
- Data Capture/Extraction
- Return Filing
- Payment Remittance

Responsibilities for particular facets of the compliance process are frequently distributed between line and staff employees, property and corporate business entities, often crossing operating and overhead expense lines. For example, sales department staff may be responsible for requesting documentation of tax-exempt status from corporate or group clients, whereas front desk clerks may be responsible for doing the same for individual travelers.

Across all property types and for all guests, front office staff are responsible for making certain the guest accounting folio reflects the correct tax status for nightly billing. In a full-service hotel, an internal accounting staff member may be responsible for reconciling those tax exemptions against the daily revenue report and preparing monthly tax filings. At a select-service property, that information may be periodically pushed to (or pulled by) a corporate office accountant for review and eventual filing.

## The Stakes Can Be High

Neglecting lodging tax obligations can get expensive, with violators liable for payment of back taxes owed, penalties and interest. Those who creatively experiment with novel methods to avoid sales and use tax liabilities may be subject to a broad spectrum of civil and criminal penalties for activities deemed to be willful or fraudulent.

Audits can be time consuming, further stressing operations already stretched thin on staffing. Those with subpar record keeping, process variability or poor cataloging of source documentation face the most daunting audit prospects.

# The Unseen Challenges

On the surface, a tax calculation may look like basic arithmetic, but a number of intervening circumstances can wreak havoc when executed in practice.

## The Human Factor

*"We keep harping on the properties. That is the key point of failure. Nearly every issue involves a human being."*

–Chief accounting officer, hotel management company

### Staff Availability

Staff scarcity, employee turnover and rising wages were all issues facing the hospitality industry prior to the emergence of COVID-19. But the pandemic exacerbated the problems. The unprecedented labor challenges remain an area of concern, impacting not only direct line positions such as front office and housekeeping, but also administrative staff. Both areas impact a hotelier's ability to efficiently manage its tax compliance processes.

The labor squeeze has resulted in the introduction of flexible staffing practices including the assignment of alternate work duties, job/shift sharing and cross-functional training to cover gaps in core operational functions. As a result, there is less opportunity for individual staff members to gain confidence with handling irregular tasks like guest sales tax-exemption issues. The industry still has considerable ground to cover before it returns to pre-pandemic staffing levels, which means that these issues will continue to plague the hospitality industry for some time.

### Training

Tight labor markets also restrict the availability of resources possessing the necessary tax-related expertise to introduce common use cases into basic training curriculum. Due to the intermittent nature of tax-exempt business at some properties, relevant processes may be left out of basic training – especially when a hotel desperately needs new hires to take shifts as soon as possible. It is common for even the simplest guest tax-exemption issues to require handling by a supervisor or manager.

***"Efficiency is doing things right; effectiveness is doing the right things."***

Peter Drucker,
*The Effective Executive*

Staff turnover exacerbates the training issue, especially when any individual familiar with sales and use taxes departs the organization. This becomes particularly acute for hotel managers or accounting staff that have responsibility for month-end data aggregation and tax-reporting functions. Unlike front office teams where several individuals must be adequately trained to cover shifts, hotels may rely on a single individual to handle the tax-related reporting to corporate or the tax authorities.

### Management Visibility

Many hotel group C-suites lack awareness of the challenges facing teams responsible for handling tax compliance at both the property and corporate level. Management often reacts to tax issues as they arise, but the number of organizations proactively seeking to optimize inefficient tax compliance processes is limited.

A key challenge is the allocation of responsibility across a diverse array of resources. The tasks represent portions of job roles and are rarely budgeted as distinct line items, making performance measurement and operational efficiency monitoring challenging. Time allocations for tax compliance are rarely precisely tracked at property level.

The niche knowledge set required to optimize processes leads to an industry-wide tendency to address symptoms as errors surface, as opposed to identifying and eliminating the root cause for the functional failure.

## Technology Roadblocks

*"The process is tedious and time-consuming. We keep finding crazy things from the front desk because [the property management system] isn't user-friendly. Plus, the front desk can do the math wrong ..."*

–Hotel assistant general manager

Digital transformation is more than a buzzword when it comes to lodging tax compliance. For years, across the hospitality industry, there has been a constant call to upgrade the industry tech stack, but progress has been slow.

### Legacy Systems

Of greatest importance to hoteliers managing sales and use taxes are the property management system (PMS), point of sale (POS) system and back-office accounting system.

While many cloud-based systems have been introduced over the last decade, the legacy systems that run the majority of U.S. hotels are outdated – with some running on technologies deployed over 30 years ago. Those old systems may be reliable and offer some minimal level of functionality, but they are expensive to maintain and most critically, very difficult to customize or enhance.

Industry fragmentation also contributes to the slow adoption of new technologies – large hotel groups with thousands of properties across a spectrum of tiers must get commitments from property owners to fund the deployment of modern platforms.

### Inefficient Manual Interfaces and Processes

Legacy computer systems may have poor and/or inflexible user interfaces that require workarounds to efficiently process tax-related reports or file exports between systems.

All hotels with a PMS rely on some form of data extraction, which can range from the printing of a summary report or batch file downloads to interactive transfers from property management to accounting systems.

Full-service hotels must pull data from PMS, POS, sales and catering, retail and other systems to properly aggregate sales and taxes, and to flag exemptions. Higher levels of integration eliminate the prospect of data corruption during extraction/upload processes or the introduction of manual data entry errors.

Some properties are able to digitally scan tax-exemption forms but may run into challenges when attempting to digitally link the scanned document to the guest accounting folio. Other hotels continue to maintain a physical filing system for paper forms.

## Top-Line Ramifications

*"We really don't handle much tax-exempt business."*

–President, multi-unit, single-city boutique hotel ownership group

Expertly managing sales and use tax exemptions also has a positive impact on top-line revenue. Travel managers and meeting & event planners responsible for making arrangements on behalf of tax-exempt entities want to work with hoteliers who understand the importance of making certain all documentation, billing and collection processes are accurate and seamless for the client organization.

### Streamlining Customer Service

If a hotelier understands the nuances of a particular business – for example, where direct employees receive a tax exemption, but contractors attending the same meeting do not – it not only saves the client's time, but also the time of their constituent members, employees or benefactors who may become frustrated when forced to deal with avoidable errors.

### Helping Organizations and Members

While it is possible for tax-exempt groups to claw back tax payments made in error, it involves incremental work for the exempt organization and the tax authority.

Eliminating mistakes and helping clients accomplish their goals as efficiently as possible goes a long way in establishing customer preference and maximizing lifetime customer value.

### Targeting Exempt Organizations

Armed with the knowledge that the operations team can not only address the standard lodging and other required hotel services but also ensure that all aspects of the billing and accounting will run smoothly, sales departments can aggressively target a wide range of tax-exempt organizations by offering a unique benefit that most hotels neglect to promote.

Strong word of mouth and social media referrals allows sales and promotional expenses to be allocated to other targets, expanding the marketing reach of the hotel without increasing the spend. Additionally, the cost of rebooking a previous guest is always much lower than the cost of acquiring a new one.

# Current Pitfalls

> ***"Out of intense complexities, intense simplicities emerge."***
>
> Winston Churchill,
> *The World Crisis, 1911–1918*

## Tax Complexity

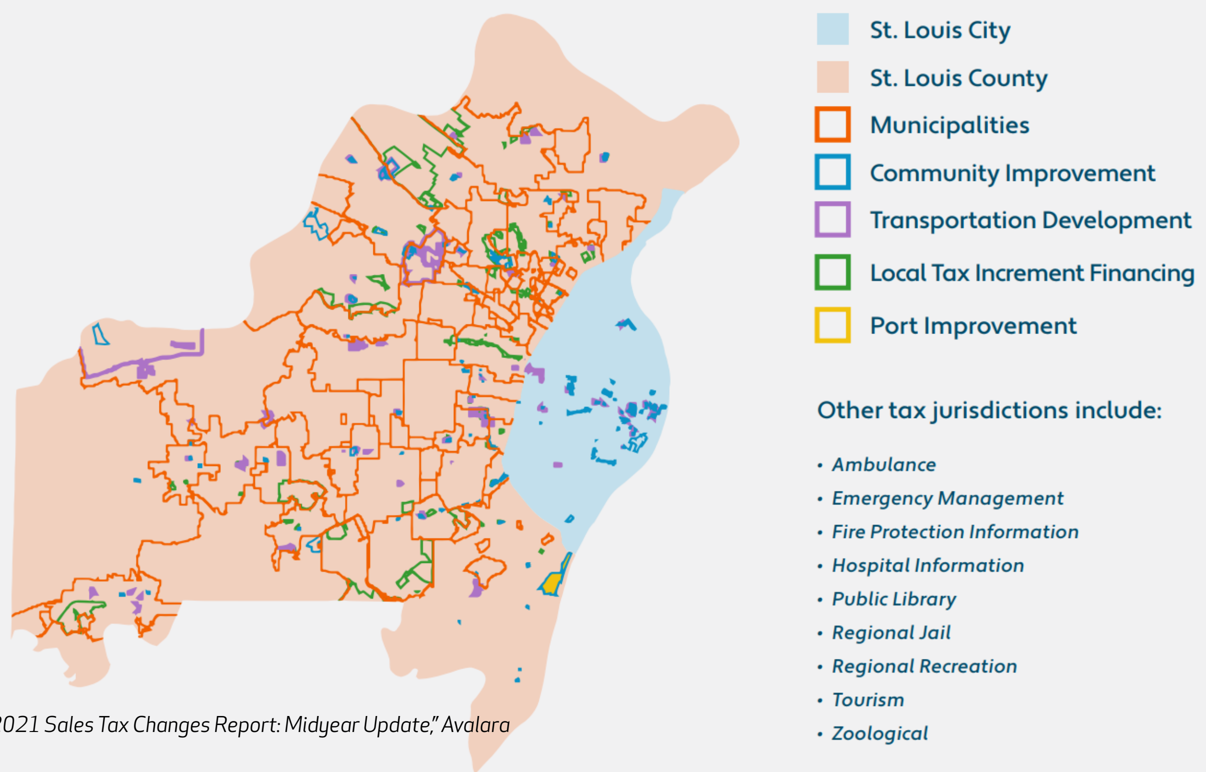
*"Understanding the taxes and processes in new states where we haven't been in before always presents a challenge – plus, the cities and counties are even more complicated."*

–Corporate controller, hotel management company

### Unfathomable Complexity

Describing the confluence of local taxes as merely "city or county" taxes is an oversimplification. Let's take the example of the layers of tax jurisdictions applying to St. Louis County, Missouri (see Figure 2).

**Figure 2:**
**Sample of Missouri Sales Tax Jurisdictions**




*Source: "2021 Sales Tax Changes Report: Midyear Update," Avalara*

Areas flagged for development incentives, public services or tourism often cross county, municipal or other governmental boundaries. Understanding whether the applicable taxes are additive, substituted or subordinated relative to taxes applied by overlapping jurisdictions is difficult.

As a result, tax liabilities for neighboring properties located on opposing sides of a line defined solely via local statute may be different and are not easily identified without a clear understanding of local jurisdictional anomalies.

It is not only where a property is located that complicates matters, but also what is being taxed, as there is no standardization across jurisdictions. One jarring example is provided by the City of Chicago with its "Hotel Tax Matrix," a six-page spreadsheet including 155 line items summarizing the myriad tax liabilities potentially facing hoteliers.

A sampling of the types of taxes described includes:

- Amusement Tax (e.g., pay-per-view television, green fees, weight room fees)
- Bottled Water Tax (e.g., restaurant or room service sale of food and nonalcoholic beverages)
- Ground Transportation Tax (e.g., transportation performed by hotel for a fee)
- Hotel Tax (e.g., early departure fees, resort fees)
- Lease Transaction Tax (e.g., rollaway bed charge, tangible personal property rental of DVDs, video games)
- Liquor Tax (e.g., retail or restaurant sale of liquor, beer, and wine)
- Non-Titled Use Tax (e.g., cleaning supplies, in-room amenities and coffee provided free of charge, owned uniforms)
- Parking Tax (e.g., mandatory valet service fees, guest option valet service, or charges for self-parking at hotel)
- Real Property Transfer (e.g., sale of buildings, land, or other real property)
- Restaurant Tax (e.g., hotel-prepared meals, vending machine sales)
- Telecom Tax (e.g., local phone charges, in-room fax charges)

Making matters worse for Chicago hotels is that the list applies solely to City of Chicago taxes administered by the Chicago Department of Revenue. It excludes the City of Chicago taxes enforced by the Illinois Department of Revenue.

### Alcohol Sales Often Create Even More Complex Outlier Scenarios

There may also be peculiar outlier scenarios that hotels located in a specific area need to address. Alcohol sales are a frequent component of these scenarios, especially on a local level. For example, one jurisdiction bases mixed beverage tax calculations on a combination of retail sales receipts and profit. This requires the proprietor to match sales to purchase records in order calculate the tax due.

In another case, one mixed beverage tax may be charged to the customer, while another related tax is paid only by the establishment. In some "damp" counties, private club memberships are required to sell mixed drinks. Those memberships may be associated with their own tax liabilities, as dictated by the local county or city.

## Exemptions

*"The tax-exemption number is the key field on the tax-exemption form. However, the fine print on the state exemption form states: 'THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID. Sales and Use Tax Exemption Numbers or Tax Exempt Numbers do not exist.'"*

–Hotel general manager

A thorough understanding of local tax policies is critical for consistent operational execution to avoid guest inconvenience, hotel administrative costs and audit issues that may arise when errors occur.

## Exemption Rules

Beyond what services are subject to tax at what rates, other rules govern the exemption from tax liabilities. Sales and use tax exemptions often exist for government, charitable, educational and religious entities, as well as specific industries, economic development zones or other carveouts. These exemptions may also vary between local jurisdictions.

The following example demonstrates how taxes might be assessed respectively for a typical traveler, two government and two religious organizations. Depending on the circumstances, some travelers may have full or partial exemptions.

- **Typical Travelers**
  State Sales Tax – 6%
  Local Occupancy Tax – 7%
  Total Taxes Assessed = 13%
- **State Government Officials (Official ID)**
  State Sales Tax – 0%
  Local Occupancy Tax – 0%
  Total Taxes Assessed = 0%
- **State Forestry Service (State Agency)**
  State Sales Tax – 0%
  Local Occupancy Tax – 7%
  Total Taxes Assessed = 7%
- **Church (Located Outside County)**
  State Sales Tax – 0%
  Local Occupancy Tax – 7%
  Total Taxes Assessed = 7%
- **Church (Located in County)**
  State Sales Tax – 0%
  Local Occupancy Tax – 0%
  Total Taxes Assessed = 0%

Keeping track of such nuances can complicate matters for the hotel staff. In some cases, the guests may not be fully versed on local rules and may inadvertently demand exemptions when they are not eligible.

As hotels recognize revenue on a daily basis through the posting of room charges and related taxes, if the tax status of each guest room is not accurately entered into the guest accounting module of the PMS, the error will be immediately posted to daily income journals. Corrections require processing adjustments, which may occur following the guest's departure and necessitate subsequent communication regarding payment settlement. In cases where guests are filing expense reports with employers or the guest folio is being paid by a group master account, additional parties may be drawn into the conversation to refund taxes that were improperly collected or request payment for any taxes that were not originally paid.

## Long-Term Stays

Another pain point for hoteliers is the handling of long-term stays. Many jurisdictions exempt the guest from occupancy taxes when their length of stay exceeds 30 days. However, for the first 30 days of the stay, the hotel continues to post the taxes to the guest folio. On the 31st day, the PMS must be manually adjusted to halt the tax posting and a credit must be posted to the guest account for the occupancy tax previously collected.

An additional complexity arises when a long-term stay crosses calendar months. When filing its sales and use taxes, the hotel must submit a special revision to back out the tax associated with long-term stays carried over from the previous month. This is also typically a manual process.

## Exemption Documentation

In most cases, documentation of eligibility for tax exemptions is required to be collected by the hotelier and retained for an extended period to support future audits. Failing to capture an appropriate exemption form at (or prior to) guest arrival can lead to issues later. Resolving such issues can be time consuming for the front desk, accounting staff and the guests.

Pursuant to the technology challenges highlighted earlier, methods used to enter tax exemptions into a PMS or POS system and then associating exemption documentation with the appropriate guest folio may be obtuse.

# Compliance

*"Most are states in a bind for funding, so they are accelerating audits. They dig and dig until they find a dollar or two to levy interest and penalties."*

–Senior hotel management company executive

## Reporting Methods

There is no industry-recognized standard practice for universally reporting sales and use taxes. Each organization, depending on the breadth and scope of its operations typically develops its own process based on available technologies, location of staff and past practices.

For the vast majority of select-service properties, the reports or downloads may serve as the backup to the manual entry of data into a spreadsheet template. This spreadsheet is emailed to a corporate office where the internal audit function is handled prior to filing and remittance. Many full-service hotels also rely on spreadsheets to summarize tax collections and liabilities. The audit function at both the property level for full-service and corporate office for select-service hotels primarily involves matching taxes collected and exemptions to daily revenue reports. In some cases, there are also checks for flags indicating that backup documentation has been captured.

The expectation of government tax auditors is that the records will match exactly, but the stark reality is that due to limited staff and the amount of effort required to go back and reconcile accounts some hoteliers and management companies hope for the best and are willing to accept being "close enough."

One additional complication for hoteliers are the different filing and remittance processes deployed by different tax jurisdictions. Some are highly automated, allowing digital uploads and electronic payments. Others are completely manual, requiring filing submissions by mail, although online payments are now encouraged across the board.

## Variable Audit Philosophies

The COVID-19 pandemic also disrupted tax authorities. In some jurisdictions, audits were suspended due to staff layoffs and cutbacks amid lower tax receipts and budget shortfalls. Other jurisdictions adopted a contrasting approach by increasing the frequency and intensity of audits in an effort to maximize the collection of incremental tax revenues and assessment of penalties.

## Significant Penalties

Penalties for late payment vary by jurisdiction, ranging from 1% to 30% of the tax due, plus late filing fees. Worse yet, if negligence is identified, or in cases where non-filing is considered intentional, penalties can be even more severe – situationally resulting in additional assessments of 50% to 100% of the tax due.

# Best Practices

*"The solution often turns out more beautiful than the puzzle."*

Richard Dawkins,

*Unweaving the Rainbow: Science, Delusion and the Appetite for Wonder*

Several best practices have been identified that streamline all aspects of the sales and use tax compliance process. One caveat is that for some properties, adoption of these practices may require a technology update. Properties with PMS, POS and back-office accounting systems that are not currently operating on modern technology platforms will still benefit from introducing these processes, even if they are partially automated.

Adherence to these practices will substantially reduce the need for manual human intervention, lower the likelihood of errors, lessen the time spent on and complexity of internal corporate tax audits, and speed the filing and remittance process to capture any incentives/discounts.

In short, the strategy is to have hotels proactively ensure that all tax data and documentation is accurate on a daily basis so any anomalies can be immediately addressed and corrected. This process eliminates the key pain points that drive the cost and inefficiency associated with current industry sales and use tax calculation and reporting, particularly the need for corporate oversight required to facilitate error recovery.

## Early Identification of Exempt Guests and Document Capture

- Tax-exempt accounts identified in advance by sales staff for all tax-exempt organizations
- Documentation received prior to arrival for all room blocks, direct bill or negotiated corporate-rate business
- Tax-exempt documentation/number verified through appropriate validation service
- Documentation scanned and digitally captured – associated with sales account file
- For transient guests booking independently under a tax-exempt rate plan (i.e., government rate), desk clerk requires appropriate identification/documentation

## Data Input

- Tax-exempt rate plans and settlement methods defined in operational systems (PMS, POS and back office)
- Reservations/front office ensures all tax-exempt rate plans are properly loaded into PMS
- Banquet/catering staff ensure banquet event order system reflects tax-exempt status

- Settlement methods for tax-exempt food and beverage sales are pre-defined in POS (particularly important for billing to guest room folio or master account)
- All guest folios or invoices are linked to digital tax-exempt documentation file for future audit reference

## Long-Term Stays

- For initial stay period (prior to 30th day) guest folio is flagged in PMS as tax-exempt, but tax is posted (in the event that the guest checks out prior to long-term stay threshold)
- On the 31st day, room tax assessment is automatically suspended, and credit applied to guest folio for previous 30 nights of room tax assessed
- Special revision routine is automatically triggered in back-office accounting system to calculate and adjust for any long-term stay tax assessed during previous month

## Revenue and Tax Calculation

- Night audit process automatically generates report reconciling income journal and taxes assessed and verify flag to indicate presence of scanned tax-exempt documentation on file
- Night audit staff are responsible for identifying/resolving any issues and notifying appropriate department(s) of corrections required or adjustments made
- Following standard night audit policy, audit is not considered complete (and revenue is not recognized) until all revenues, taxes, exemption documents and settlements are balanced

## Data Extraction

- Tax reconciliation file automatically transmitted to management or corporate office as applicable on daily basis

## Internal Tax Audit

- On-site/cluster/corporate staff spot check tax reconciliation file for any anomalies (large or irregular corrections/adjustments)

## Reporting

- Daily reports are aggregated and automatically generate monthly tax filing for each jurisdiction
- Sales and use taxes are transmitted electronically (if possible) to each tax authority on first day of month following close to qualify for any available discounts

# Conclusion

*"We cannot solve our problems with the same level of thinking that created them."*

Albert Einstein

## Tax Compliance as a Service

Like many other challenges facing businesses of all types, modern technology has enabled Software as a Service (SaaS) solutions to not only offer sector-leading technological resources, but also the subject matter expertise required to focus limited resources on critical functions and avoid the distraction of experiencing unproductive inefficiencies through trial and error.

Utilization of cloud-based software to accurately capture, calculate and file sales and use taxes can improve accuracy and timeliness without increasing headcount, while radically simplifying audits and avoiding unnecessary financial penalties.

## Expansion and Acquisitions

As hospitality organizations add locations or enter new geographic territories, PMS, POS and back-office accounting platforms (including associated interfaces) must be established or updated to ensure accuracy from day one of operational cutover.

Acquisitions present a potentially greater challenge, especially when onboarding multiple properties over a tight time horizon. Again, greater property type and geographical diversity factor into greater demands on the team to function at a high level of efficiency.

## Embracing the Future

As complex as the challenges of lodging tax compliance may be, there is an obvious path forward. Success will be earned by those best able to clearly define measurable goals, isolate and collect essential data, define standards for accurate processing, utilize tools to optimize the methods employed and make the metrics actionable by management.

Digital transformation can empower front-line employees with technologies to effectively capture exemption documentation and easily capture data without the need for extensive training or convoluted processes that distract from providing exemplary guest service.

Enabling accounting staff to access a single source of truth will ensure documentation management is aligned with digital records to streamline the review of calculations and facilitate automated filing and remittance.

Phocuswright
Powering great decisions.

## About Phocuswright

Phocuswright is the travel industry research authority on how travelers, suppliers and intermediaries connect. Independent, rigorous and unbiased, Phocuswright fosters smart strategic planning, tactical decision-making and organizational effectiveness.

To complement its primary research in North and Latin America, Europe and Asia, Phocuswright produces several high-profile conferences in the United States, Europe and Asia Pacific. Industry leaders and company analysts bring this intelligence to life by debating issues, sharing ideas and defining the ever-evolving reality of travel commerce.

Phocuswright also operates PhocusWire, a media service that covers the world of digital travel 365 days a year with a range of news, analysis, commentary and opinion from across the travel, tourism and hospitality sector.

The company is headquartered in the United States with Europe and Asia Pacific operations and local analysts on five continents.

Phocuswright is a wholly owned subsidiary of Northstar Travel Group.

www.phocuswright.com

Avalara
Tax compliance done right

## About Avalara

Avalara is the answer to the unique challenges and frustrations of managing state and local taxes in the lodging and hospitality industry. Our solutions simplify compliance tasks, help reduce risk across the labyrinth of regulations in the hospitality industry and help ensure taxes are collected and remitted accurately. Avalara is a team of tax experts and technologists behind one solution for your business. We live and breathe tax and regulatory compliance, so you don't have to. From independent operators to midsize businesses and Fortune 100 companies, customers choose Avalara for tax compliance tools scaled to their needs. You'll find Avalara around the world helping businesses prepare for growth in the global market.

www.avalara.com