

	MUNICIPALITY OF ANCHORAGE	
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**AMC 12.20 Room Tax
INFORMATION #13**

Online Marketing “Value Voucher” Initiatives – Groupon.com

This informational bulletin provides uniform guidance to all Operators of local lodging facilities who utilize the services of online marketing firms, such as Groupon.com, that sell “Value Vouchers” used to obtain rooms. It is the responsibility of the Treasury Division of the Municipality of Anchorage to ensure that Anchorage Municipal Code (AMC) Chapter 12.20 is applied and enforced in equitable manner. Therefore, it is imperative that all operators account for these taxable transactions in the following prescribed manner.

AMC 12.20.020 levies a room tax on the guest and requires the Operator to collect such room tax from the guest. The room tax is calculated as 12% “of the room rent paid to an Operator.”

AMC 12.20.010 defines rent to be the “**monetary value**” of any consideration, whether money, property or services, given in exchange for the right to use or occupy a room. For example, if a prospective guest/customer exchanges a \$100 value voucher for a lodging room, the taxable value associated with the transaction is \$100. Such value voucher has a “monetary value” stated on the face of the instrument. Furthermore, if a prospective guest/customer exchanges a \$100 value voucher plus \$50 cash for a room, the taxable value associated with the transaction is \$150. The tax due is calculated as 12% of the monetary value of consideration given to the Operator for the right to use or occupy a room for lodging purposes.

It is important to note that the amount of money a guest paid to an online marketing firm (e.g. Groupon.com) to purchase a value voucher **is not relevant** to the determination of the amount of room tax that the Operator is required to collect from the guest for the room rental transaction. Similarly, the amount of money an Operator receives from an online marketing firm (e.g. Groupon.com) to redeem the value voucher **is not relevant** to the determination of the tax to be collected from the guest who rented a room with such value voucher. **The relevant details are limited to the “monetary value” of any consideration given by the guest to the Operator in exchange for the guest’s right to use or occupy an Operator’s room for lodging purposes.**