

SARASOTA COUNTY TOURIST DEVELOPMENT TAX

Fiscal Year 2023

October 2022 - September 2023



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Florida Tax Collector
serving Sarasota County**

This report is also available at www.SarasotaTaxCollector.com

*Tourist development information is confidential pursuant to Section 213.053 F.S. and
is not subject to Florida Public Records Law, Section 119.07 F.S.*

SARASOTA COUNTY TOURIST DEVELOPMENT TAX

HISTORY

In June 1992, the Sarasota County Tax Collector assumed responsibility for collection of approximately 700 accounts paying the local option tourist development tax previously collected by the Florida Department of Revenue. Local collection offered several advantages including an increase in revenue, an increase in the number and accuracy of accounts, and a much quicker distribution of tax revenue to the County.

- By 1995
- accounts increased 85% to 1,300 representing 5,000 rental units
 - dollars collected increased 19.1% to \$2.9 million
 - audit assessments/tax actions increased by 70% resulting in \$55,386
 - monies distributed 60% faster; 30-day distribution vs. 90 day

On April 1, 1997, the tax increased from 2% to 3%.

July 1, 2003 to October 31, 2003 – Under the state authorized Amnesty Program, taxpayers had a one-time opportunity to voluntarily pay back taxes with no penalty and at a reduced interest rate. Thirty-seven new accounts resulted from this program. However, only one account was a voluntary disclosure, and the other 36 accounts were identified by Tax Collector staff.

October 1, 2005 – New computer system resolved zip code problem that existed in prior fiscal years' location reports (zip codes that spanned both incorporated and unincorporated areas). With the new system, collections are reported through a city code tied to each account rather than the old reports which relied on zip codes.

November 2006 – Implemented a "Tax Tipline" for anonymous referrals.

On May 1, 2007, the tax increased from 3% to 4%.

September 30, 2008 – Collections exceeded \$10 million for the first time.

On May 1, 2010, the tax increased from 4% to 4.5%.

February 2011 – A one-time settlement of \$200,145.63 is paid directly to Sarasota County because of a class action lawsuit against several online travel companies.

On May 1, 2011, the tax increased from 4.5% to 5%.

September 30, 2014 – Collections exceeded \$15 million for the first time.

September 30, 2016 – Collections exceeded \$20 million for the first time.

September 30, 2021 – Collections exceeded \$31 million for the first time.

September 30, 2022 – Collections exceeded \$40 million for the first time.

On October 1, 2022, the tax increased from 5% to 6%.

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FISCAL YEAR 23 COLLECTIONS

OVERVIEW

Fiscal year 2023 collections, for rental months October 2022 – September 2023, totaled \$49,996,721.17 which represents an increase of 24.11% over the prior year. Compared to FY22, the largest increase was in October (73.96%), followed by November (48.69%).

March had the highest dollars collected with nearly \$7.14 million, followed by February at \$5.97 million and January with just over \$5.85 million.

It is important to note that the monthly tourist tax returns reflect only the dollars collected. Therefore, it is unknown whether variances in taxes collected are due to changes in room rates, occupancy, or a combination of both. (See pages B1 – B3.)

ACCOUNTS & TYPES

As of 12/31/23, there were 7,694 accounts. Compared to 2022, the number of accounts was up 1.61%. Condos make up the largest portion of accounts at 71.30%, followed by houses at 21.85%. (See pages B4 – B5.)

ACCOUNT REVENUE

For the seventh year in a row, hotels/motels were the leading source of account revenue, generating 41.74%, followed by condos at 29.38%. Combined, hotels/motels and condos made up 71.12% of the tourist tax collected. The remaining collections were from online platforms at 21.04%, houses at 5.07%, apartments at 2.47%, campsites at .22% and manufactured homes at .08%. (See pages B6 – B8.)

ACCOUNT LOCATIONS

Account locations are reported for the municipalities, Siesta Key, unincorporated county, consolidated and online platforms. This information is continually updated and therefore managed accounts shift by location as updates are received. Consolidated accounts (typically those handled by property managers, single owners of multiple units, etc.) are reported separately because units may be located in multiple areas. For example, a realtor may manage rentals on Siesta Key and in the City of Sarasota. If the consolidated account falls wholly into one area, it is included in the report under that location. If the rentals managed are in multiple locations, it is reported under consolidated. Units for online platforms are located throughout Sarasota County, and due to the nature of the collection agreements with each online platform, specific unit locations are unknown.

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FISCAL YEAR 23 COLLECTIONS (continued)

Traditionally, the City of Sarasota and Siesta Key are the locations with the highest collections. For FY23, as of 12/31/23, City of Sarasota generated the highest percentage of collections at 26.43% (compared to 27.52% in FY22) followed by Siesta Key with collections of 25.39% (compared to 25.90% in FY22). The next highest was Online Platforms at 21.04% followed by Sarasota Unincorporated at 14.18%.

The remaining breakdown is Longboat Key at 7.50%, Venice at 4.16%, North Port at .88% and Consolidated at .42%. (See pages B9 – B12.)

ENFORCEMENT

EXISTING ACCOUNTS

- Delinquent Accounts – Each month, every account that does not file a return is contacted and most delinquent accounts are resolved within 30 days. Delinquent accounts include those that have no activity but did not file a “zero” return, as well as accounts that are paid late. The number of delinquent accounts has remained consistently low over the last several years. Most late payments are collected the following month, so when comparing collections from the prior year, it is often more meaningful to wait one month before doing such comparisons.
- Warrants – Filing warrants is one of the tools used on properties with unresolved delinquencies, closings or receiverships. Warrants are not satisfied until full payment is made. When working with non-compliers or late payers, a successful strategy has been to send a certified mail warning that the property will be posted unless the taxes are paid. This warning method has yielded excellent results over the past years. Working with all non-compliers and late payers resulted in no warrants filed in FY23. There are currently three outstanding warrants.
- Clerk of the Court Audits – An audit determines that revenue categorized as tax exempt, mandatory pet fees, cleaning service fees and processing/booking fees should be reported as taxable rental receipts. Currently, there are three audits pending.

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ENFORCEMENT (continued)

NEW ACCOUNTS

Identifying new accounts is an ongoing and multi-faceted effort. When new accounts are identified that owe for prior periods, they are assessed back taxes plus any penalties and interest that are due.

Below are some key methods used to generate new accounts:

- Internal resources – Leads are generated through the collection of other taxes such as property tax and business tax. Whenever an owner of rental property registers for a business tax or inquiries about a property tax bill, this is used as an opportunity to determine if they are liable for tourist tax. Information about the tourist development tax is included in various mailings.
- Internet – Internet sites generate many leads, but can be very time consuming to identify the owner/location of the property. In working these referrals, findings have shown that the majority of the accounts identified were already paying the tax or did not owe the tax. Reasons for not owing the tax include being located in another county, renting for longer than six months, or no longer renting. As new accounts are identified, they are added to the roll and any back tax is collected. If multiple new accounts are found from a particular area, concentrated enforcement efforts are conducted in that community. Websites searched regularly include Evolve, FlipKey, OwnerDirect.UK, Tripping.com and Bookings.com. These websites often do not list owner information or address; therefore, tools such as the Property Appraiser's website and Sarasota County GIS mapping are used to identify the property address based on advertised photos.
- Community focus – Referral letters are sent advising property owners that tourist development tax is owed on all short-term rentals of six months or less. If a unit is available as a short-term rental, the property owner is required to complete the registration to remit tourist development tax. If the unit is not being offered as a short-term rental or is rented for six months or more, an affidavit is available for the property owner's completion. In 2023, 390 referral letters were sent to owners across the county that potentially owed tourist tax. The primary concentration included several communities with a focus on condominiums. In these areas, properties were researched and cross-referenced with the tourist tax roll. Those without a current account were contacted by letter/email and followed up by phone, correspondence and/or visit. In cases where the unit was not rented, the owner was educated about the tax in the event of a possible future rental.

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ENFORCEMENT (continued)

- Consolidated updates – “Consolidated” accounts are management companies that file one return for the multiple properties they service. Management companies are asked to keep their lists of properties current and provide updates or changes as they become available. While updating the tourist tax roll, accounts that are no longer being managed as part of a consolidated group are then contacted. For owners renting units themselves, this provides an excellent opportunity to educate the owner about their responsibility to collect and remit the tax. In 2023, 204 letters were sent to accounts no longer being managed under a consolidated account.
- Public referrals – Another important resource are referrals from the public. These referrals typically come from owners who are already paying the tax but suspect a neighbor who is not doing so. Nine referrals were received in 2023. The Tax Tipline generated six online referrals. Additionally, two were received from the Property Appraiser’s Office and one by Sarasota County Code Enforcement.
- Florida Department of Revenue Registration Information Sharing and Exchange (RISE) – Since tourist tax information is confidential pursuant to Section 213.053 F.S., RISE authorizes tourist tax account information to be shared between the Tax Collector and the Department of Revenue (DOR). This office works with the local office of the DOR as well as the Clerk of the Circuit Court and Property Appraiser in sharing information and cooperating on cases. For the year, 61 referral letters were sent from information in the DOR file.

RESOURCES

- FTDTA – Florida Tourist Development Tax Association is comprised of Tax Collectors, Clerks of Court, County Comptrollers, and other officials involved in the collection, enforcement, and auditing of tourist taxes. The purpose of the association is education and best practices in areas of auditing, bankruptcy, collections and enforcement. The FTDTA has an annual conference and a website at www.ftdta.org.
- FTCA – The Florida Tax Collectors Association provides the opportunity to share ideas regarding the tourist tax at the annual conference and at regional enforcement coalition meetings.
- Local Area Chambers of Commerce – Attending chamber meetings provides the opportunity to share information and answer questions about the requirements to collect and remit the tax with the business community at large.

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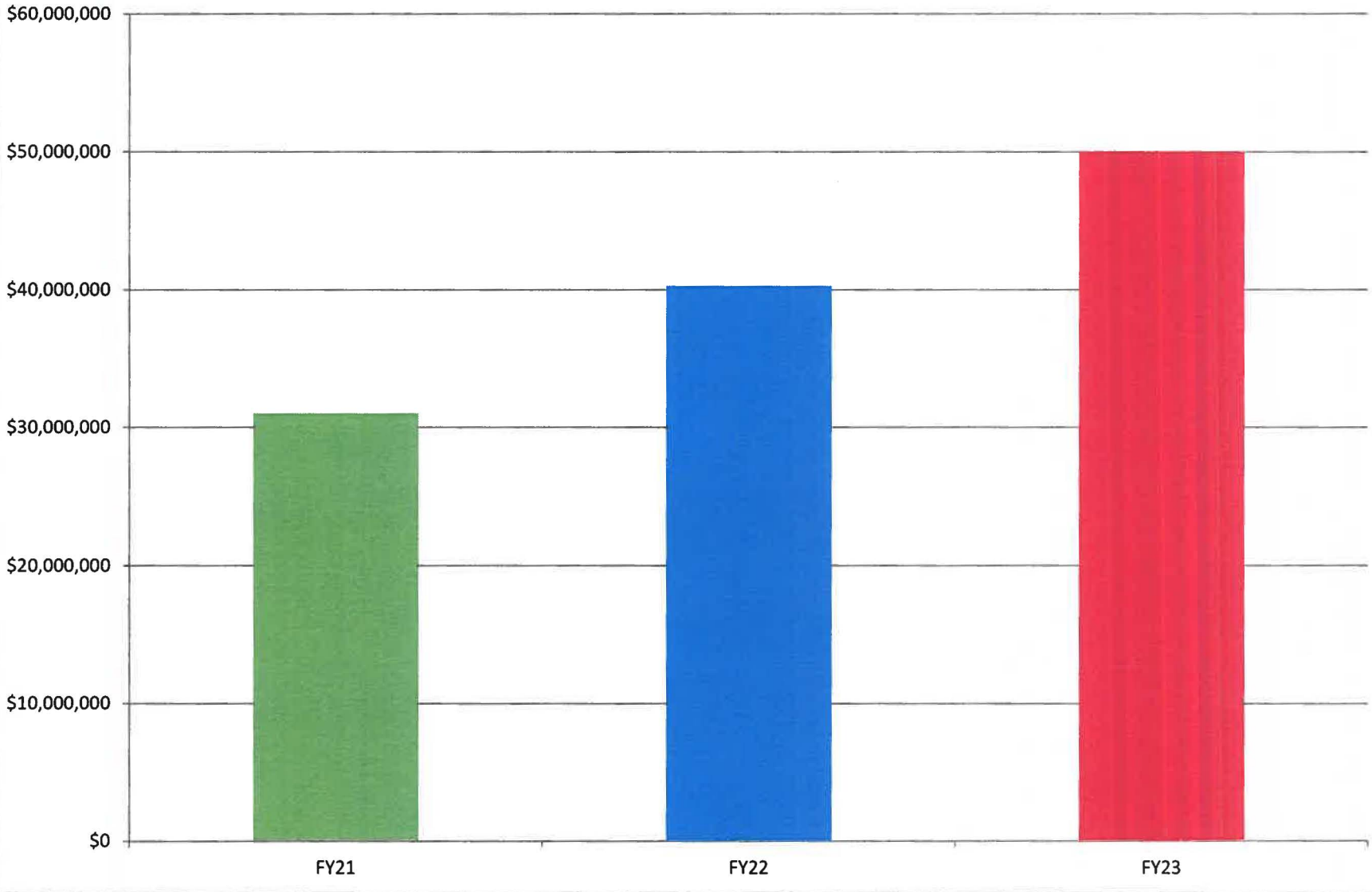
ONGOING & FUTURE PLANS

- Continue enforcement efforts to find new accounts and educate taxpayers about the tourist development tax.
- Outreach to home/condo owners' associations to speak about the requirements to collect the tourist development tax.
- Continue to promote the "Tax Tipline" and include it in future mailings. Anonymous tips can be submitted at www.SarasotaTaxCollector.com/DocMgr/TaxTipLine or 941.861.8393.
- Monitor potential legislation affecting tourist tax through resources such as NACCTFO (National Association of County Collectors, Treasurers and Finance Officers), NACo (National Association of Counties), and FTCA.

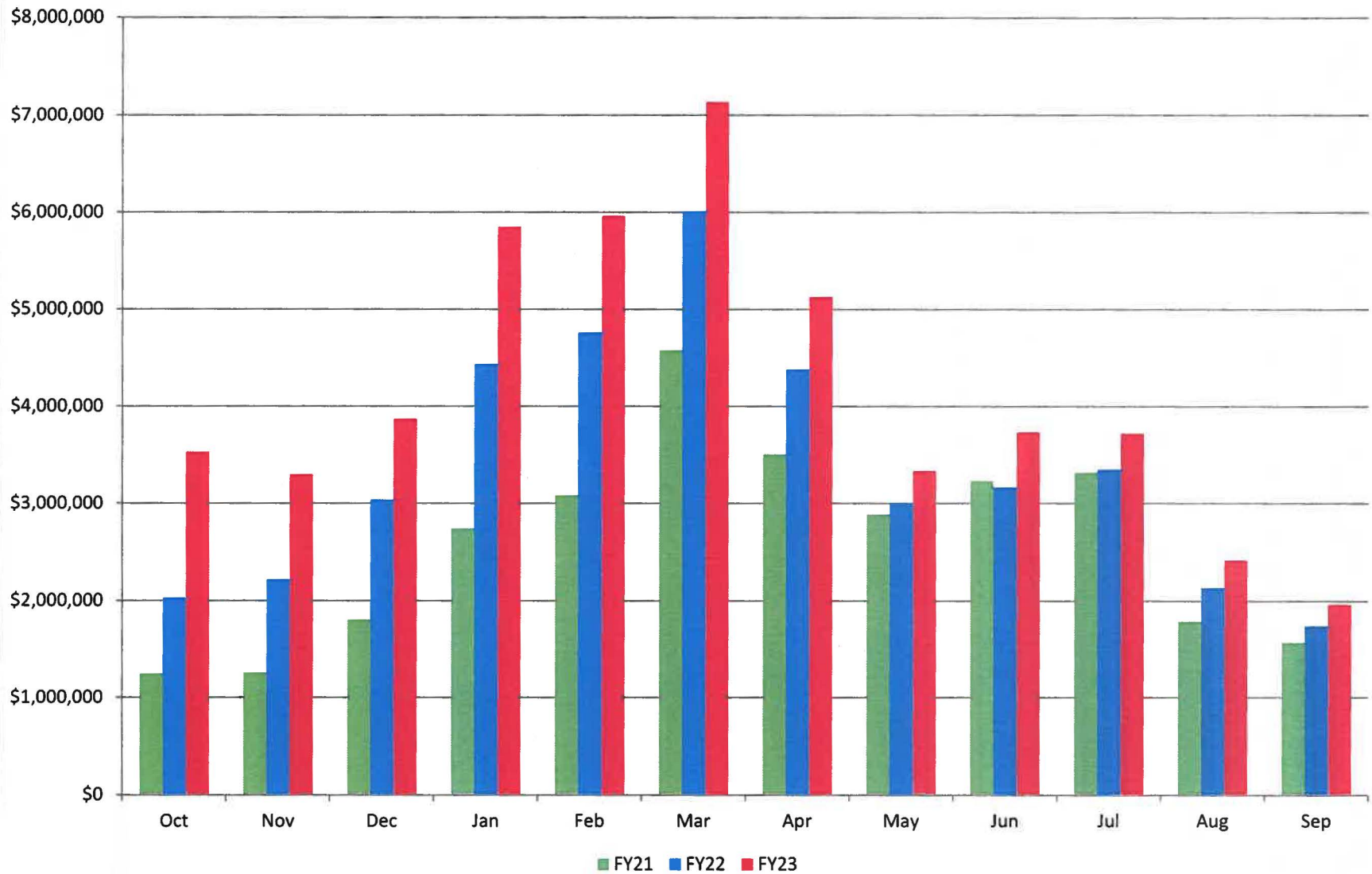
SARASOTA COUNTY TOURIST DEVELOPMENT TAX

Revenue Comparison of FY21 - FY23 Collections through 12/31/23				
	FY21	FY22	FY23	% Change <small>FY22 to FY23</small>
October	1,248,513.35	2,032,704.20	3,536,137.13	73.96%
November	1,259,229.57	2,220,599.20	3,301,807.42	48.69%
December	1,809,057.32	3,042,102.87	3,874,923.26	27.38%
January	2,739,467.24	4,435,445.96	5,853,773.71	31.98%
February	3,085,718.19	4,762,086.89	5,967,620.22	25.32%
March	4,575,891.54	6,012,320.19	7,138,249.79	18.73%
April	3,510,933.47	4,380,930.52	5,130,792.51	17.12%
May	2,886,824.37	2,996,370.95	3,337,583.00	11.39%
June	3,233,692.02	3,170,525.78	3,741,430.65	18.01%
July	3,321,565.52	3,354,262.83	3,728,941.33	11.17%
August	1,789,627.16	2,134,134.44	2,419,195.01	13.36%
September	1,572,129.46	1,743,539.49	1,966,267.14	12.77%
TOTALS	31,032,649.21	40,285,023.32	49,996,721.17	24.11%

**SARASOTA COUNTY TOURIST DEVELOPMENT TAX
Comparison of Collections FY21 - FY23**



SARASOTA COUNTY TOURIST DEVELOPMENT TAX Comparison of Collections FY21 - FY23



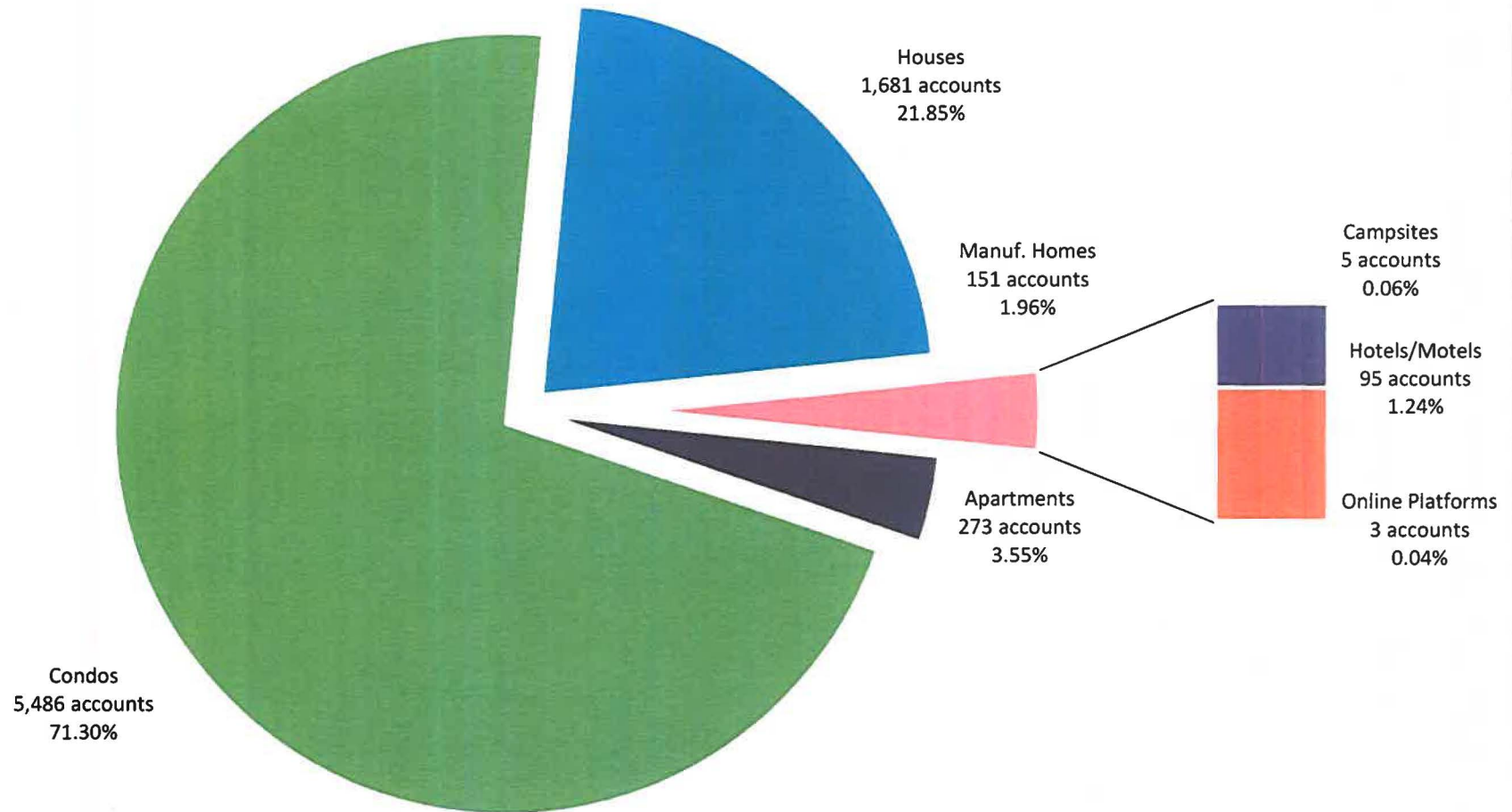
SARASOTA COUNTY TOURIST DEVELOPMENT TAX
Number of Accounts by Type

	12/31/2021	12/31/2022	12/31/2023
Apartments	287	272	273
Campsites	4	5	5
Condos	5,361	5,392	5,486
Hotels/Motels	92	94	95
Houses	1,510	1,642	1,681
Manuf. Homes	170	164	151
Online Platforms	3	3	3
TOTAL	7,427	7,572	7,694
+/- prior year		1.95%	1.61%

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Number of Accounts by Type - 12/31/23

Total Number of Accounts: 7,694

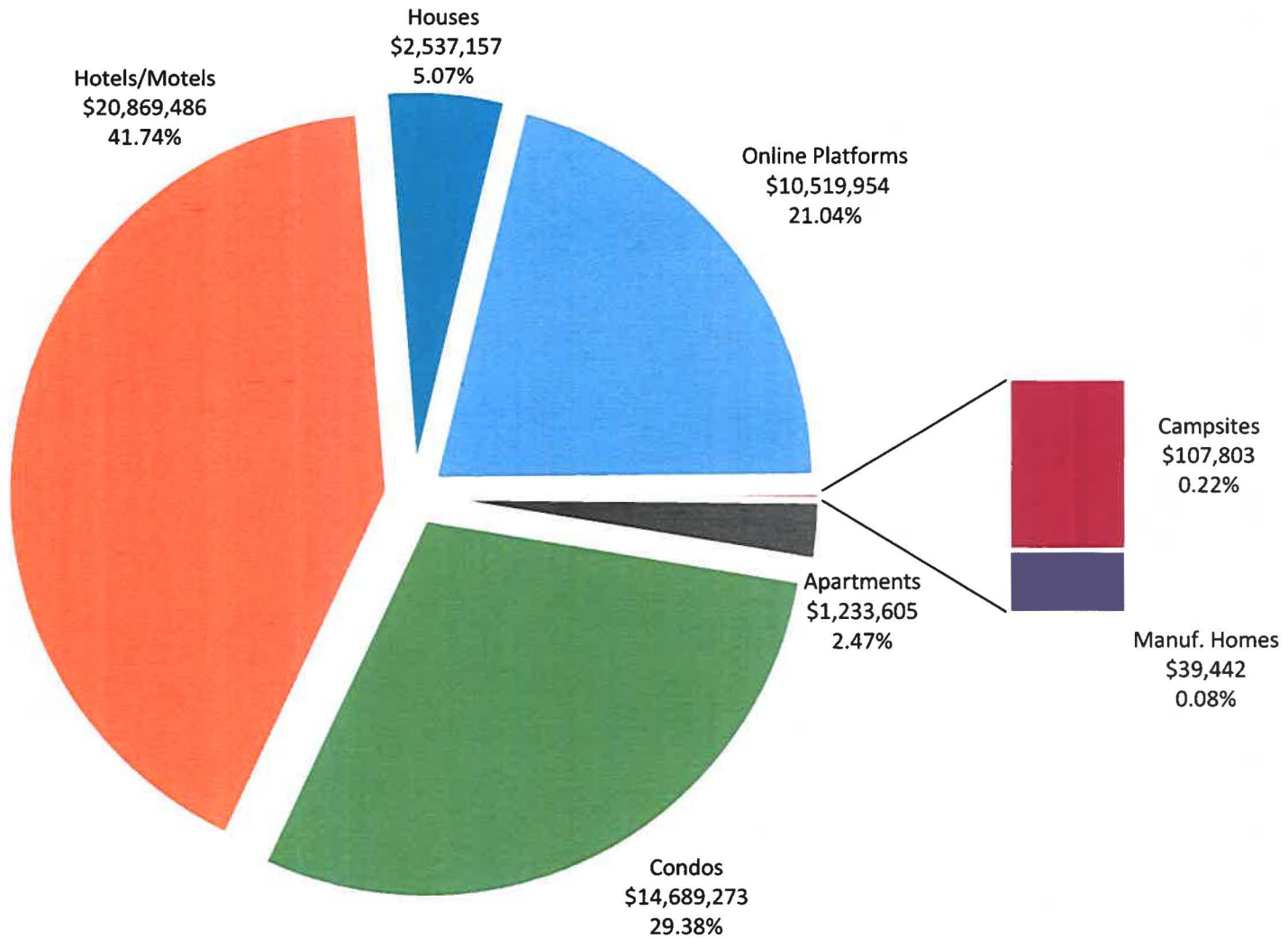


**SARASOTA COUNTY TOURIST DEVELOPMENT TAX
Revenue Comparison by Type FY21 - FY23**

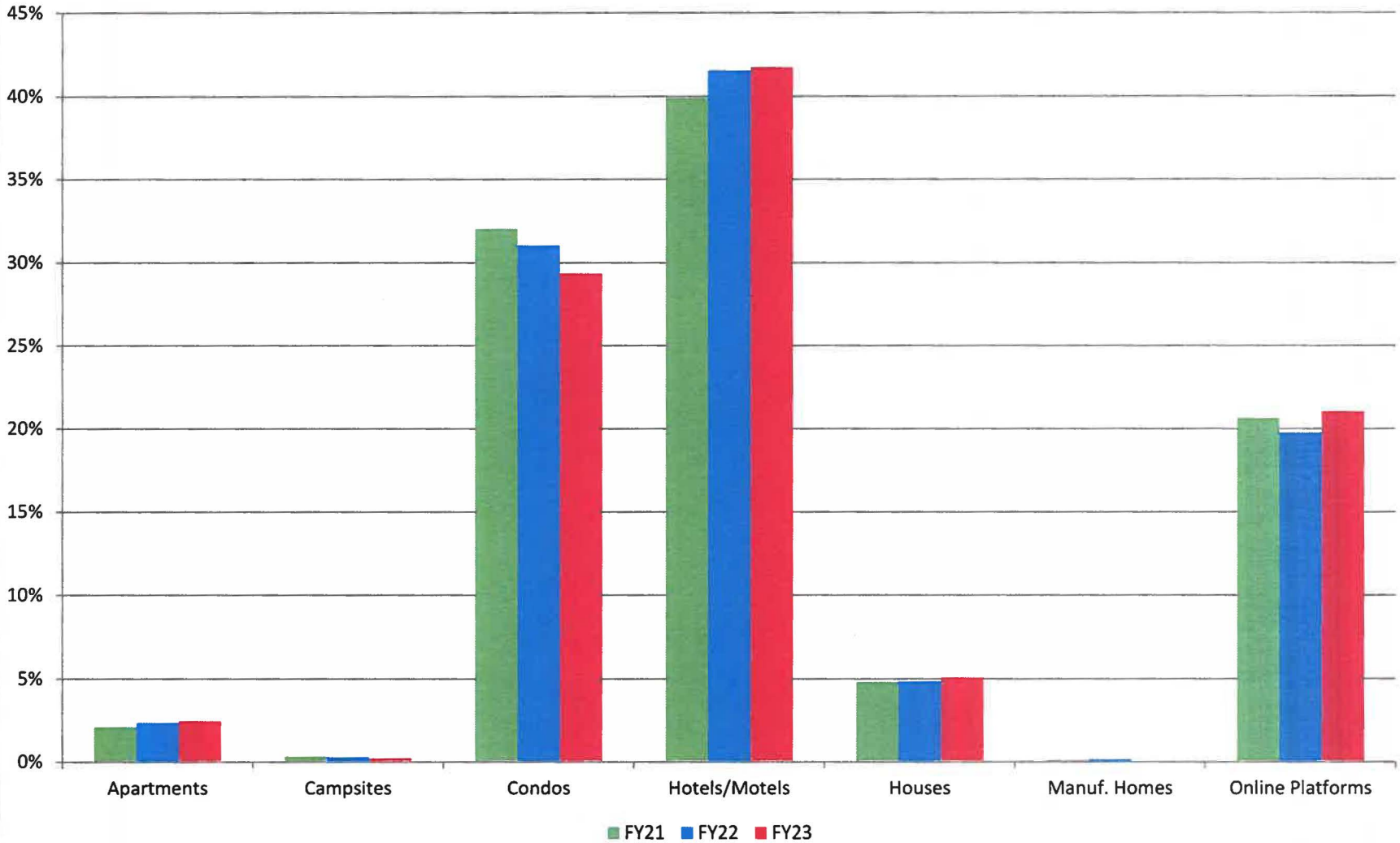
	FY21	FY22	FY23	+/- change last 2 years
Apartments	\$660,468	\$950,626	\$1,233,605	29.77%
Campsites	\$104,565	\$118,927	\$107,803	-9.35%
Condos	\$9,943,434	\$12,502,308	\$14,689,273	17.49%
Hotels/Motels	\$12,391,645	\$16,741,810	\$20,869,486	24.65%
Houses	\$1,494,857	\$1,953,180	\$2,537,157	29.90%
Manuf. Homes	\$35,682	\$56,482	\$39,442	-30.17%
Online Platforms	\$6,401,998	\$7,961,690	\$10,519,954	32.13%
TOTAL	\$31,032,649	\$40,285,023	\$49,996,721	24.11%
+/- over prior year		29.81%	24.11%	

SARASOTA COUNTY TOURIST DEVELOPMENT TAX Amount Collected by Type FY23

Collections through 12/31/23



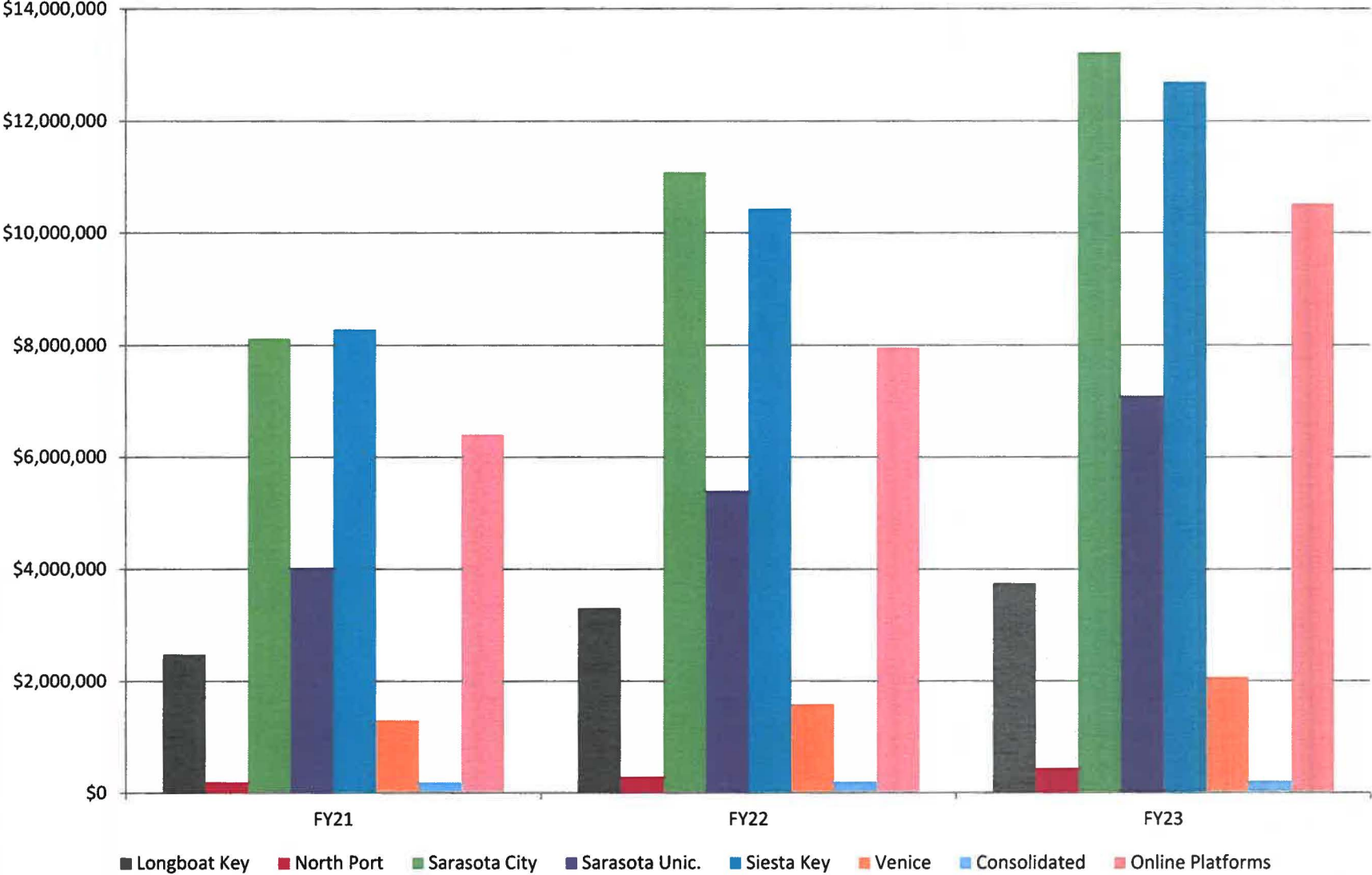
**SARASOTA COUNTY TOURIST DEVELOPMENT TAX
Revenue Comparison FY21 - FY23
Percent of Total Collections by Type**



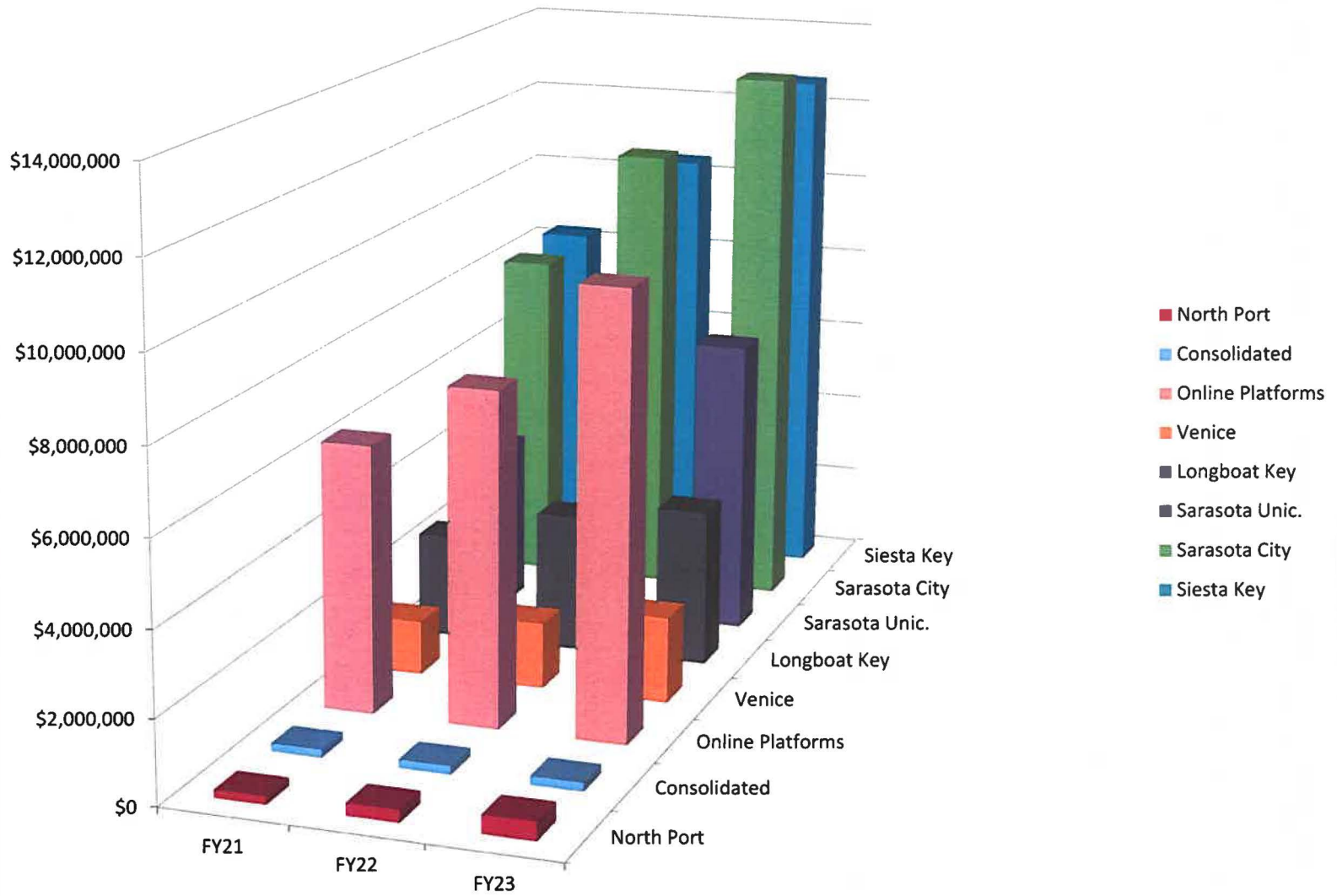
**SARASOTA COUNTY TOURIST DEVELOPMENT TAX
Collections by Location FY21 - FY23**

	FY21	FY22	FY23	TOTAL
Longboat Key	2,490,312.90 8.02%	3,312,609.22 8.22%	3,750,025.85 7.50%	\$9,552,947.97 7.87%
North Port	196,367.99 0.63%	291,038.19 0.72%	441,250.98 0.88%	\$928,657.16 0.77%
Sarasota City	8,126,296.35 26.19%	11,086,202.59 27.52%	13,214,693.24 26.43%	\$32,427,192.18 26.73%
Sarasota Unicorporated	4,030,989.83 12.99%	5,398,655.78 13.40%	7,087,190.61 14.18%	\$16,516,836.22 13.61%
Siesta Key	8,287,033.34 26.70%	10,434,787.16 25.90%	12,693,389.87 25.39%	\$31,415,210.37 25.90%
Venice	1,305,751.39 4.21%	1,599,139.77 3.97%	2,077,905.29 4.16%	\$4,982,796.45 4.11%
Consolidated	193,899.91 0.62%	200,900.68 0.50%	212,311.28 0.42%	\$607,111.87 0.50%
Online Platforms	6,401,997.50 20.63%	7,961,689.93 19.76%	10,519,954.05 21.04%	\$24,883,641.48 20.51%
GRAND TOTALS	\$31,032,649.21	\$40,285,023.32	\$49,996,721.17	\$121,314,393.70 100.00%

SARASOTA COUNTY TOURIST DEVELOPMENT TAX Collections by Location FY21 - FY23



SARASOTA COUNTY TOURIST DEVELOPEMENT TAX Collections by Location FY21 - FY23



SARASOTA COUNTY TOURIST DEVELOPMENT TAX Collections by Location FY23

