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Federal Courts Determine OTCs' Service Fees not Subject to Hotel Occupancy Taxes

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Written by **Samantha K. Breslow**

The federal courts just gift-wrapped a decision for taxpayers, right in time for the holidays. In late November, the U.S. Court of Appeals for both the Fifth and Seventh Circuits held that local hotel occupancy taxes do not apply to the service fees online travel companies ("OTCs") charge for facilitating hotel reservations. These decisions signal not only relief for OTCs, but may have wider reaching implications for the applicability of other local taxes to service fees.

Related People



Samantha K. Breslow

t 312.606.3206

sbreslow@ktslaw.com