

# **Bond Case Briefs**

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## **TAX - COLORADO**

### **Expedia, Inc. v. City and County of Denver**

**Colorado Court of Appeals, Div. I - July 3, 2014 - P.3d - 2014 COA 87**

This case represents one of many efforts nationwide to determine whether online travel companies (OTCs) must collect and remit municipal taxes that apply to hotel accommodations.

When booking a hotel room through an OTC, a traveler pays a total price that includes the rate charged by the hotel to the OTC. The total price also includes the OTC's markup and service fees (collectively, fees). It is undisputed that the Lodger's Tax imposed by the City and County of Denver applies to the room rate charged by the hotel. The question presented here is whether that tax also applies to an OTC's fees.

The Court of Appeals conclude that the City and County Lodger's Tax ordinance does not unambiguously include the OTC's fees within its designated tax base. Strictly construing this taxing provision against the government, the Court held that the tax does not apply to such fees.

The Court remanded with directions to vacate all of the tax assessments against the OTCs.