



COUNTY OF LUZERNE
P E N N S Y L V A N I A
ESTABLISHED 1786
OFFICE OF THE CONTROLLER

COUNTY OF LUZERNE, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
HOLIDAY INN EAST MOUNTAIN, WILKES-BARRE, PA

*Independent Controller's Office Report
For the Period January 1, 2015 through December 31, 2016*

Michelle A. Bednar
Luzerne County Controller

Fieldwork Performed by:
Aaron A. Hojnowski

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COUNTY OF LUZERNE
P E N N S Y L V A N I A
ESTABLISHED 1786
OFFICE OF THE CONTROLLER

March 31, 2017

Holiday Inn Express- East Mountain
600 Wildflower Drive,
Wilkes-Barre, PA 18702

RE: Hotel Room Rental Tax Audit Results

Dear Edward Michinski:

Thank you for your recent assistance in helping the Luzerne County Controller's Office complete a Hotel Room Rental Tax Audit of the Holiday Inn East Mountain in Wilkes-Barre. Your cooperation was greatly appreciated.

As you know, pursuant to the County of Luzerne Hotel Room Rental Tax Ordinance Regulations, effective July 1, 1996, and last updated on July 8, 2014, a five percent (5%) hotel room rental tax shall be collected and remitted to the Luzerne County Tax Administrator who is charged with managing, administering, and collecting the Hotel Room Rental Tax. If any amount of tax due is not remitted by the due date, interest at the rate of 1.5% shall be added for each month or fraction thereof during which the tax shall remain unpaid.

To assist the Tax Administrator in determining the accuracy of hotel room rental tax remittances made by the Holiday Inn East Mountain management for the period January 1, 2015 through December 31, 2016, **we have verified your hotel is in compliance with the Ordinance Regulations for hotel room rental tax collection.** In doing so, we compared the hotel operator's accounting records for reported revenue and hotel room rental tax collections with the hotel room rental tax receipts received by the County of Luzerne. The Controller's Office also analyzed the Hotel Tax Exemptions sheets provided.

Based on our review, we have determined underpayment has occurred. During the course of the audit it was deemed a computer error caused taxable room revenue to be misclassified as nontaxable and thus underpayments occurred. The Controller's Office has determined Luzerne County is owed **\$4,388.00**; this amount includes principal and interest.

As a reminder the Luzerne County Hotel Tax Code allows for tax exemptions for people staying 30 consecutive days or longer. After day 30 the entire stay is considered tax exempt with regards to Luzerne County hotel occupancy tax. Also, Federal/State employees as well as Federally Chartered Credit Union employees engaged in official business are Luzerne County hotel occupancy tax exempt. No other persons/organizations are entitled to a hotel tax exemption. Please note the "Pennsylvania Exemption Certificate" form must be entirely filled out or they are otherwise considered void.

The hotel has the right to disagree with our findings; if you do so please provide the Controller's Office with the reasoning and all necessary information pertaining to the disagreement.

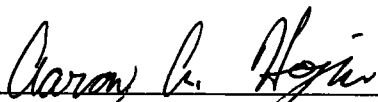
Thank you again for your cooperation and assistance in our completion of this audit.

Sincerely,

A handwritten signature in cursive script that reads "Michelle A. Bednar". The signature is written in black ink and is positioned above the printed name and title.

Michelle A. Bednar
Luzerne County Controller

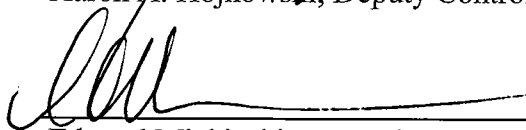
It is hereby noted that I, Aaron A. Hojnowski, of the Luzerne County Controller's Office has met and reviewed the findings of The Hotel Tax Audit of the Holiday Inn East Mountain, Wilkes-Barre for the Period January 1, 2015 through December 31, 2016 with Edward Michinski, Glenna Hart, and Pam Balent of Holiday Inn East Mountain, on March 31, 2017.



Aaron A. Hojnowski, Deputy Controller

3/31/17

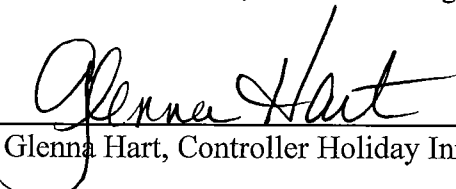
Date



Edward Michinski, General Manager Holiday Inn

3.31.17

Date



Glenna Hart, Controller Holiday Inn

3/31/17

Date



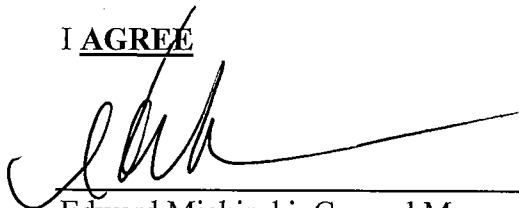
Pam Balent, Credit Manager Holiday Inn

3-31-17

Date

Please sign below if you are in agreement with the findings of this audit.

I AGREE



Edward Michinski, General Manager Holiday Inn

3.31.17

Date

Please sign below if you are in disagreement with the findings of this audit. If you do disagree with the findings please attach a written response to this audit. Include the reason(s) why you are in disagreement along with all pertinent facts and figures. The Controller's Office will then analysis the information and provide a response.

I DISAGREE

Edward Michinski, General Manager Holiday Inn

Date

Please attach any written responses to the audit.

The Hotel Tax Audit
of the Holiday Inn East Mountain,
Wilkes-Barre, PA for the Period January 1, 2015 through
December 31, 2016

This report was initially distributed to the following:

Mr. David Pedri	County Manager
Ms. Linda McClosky Houck	County Council Chair
Mr. Brian Swetz	Budget & Finance Director
Ms. Laura Beers	County Tax Administrator
Mr. Edward Michinski	General Manager Holiday Inn
Mrs. Glenna Hart	Controller Holiday Inn
Pam Balent	Credit Manager Holiday Inn

This report is a matter of public record and is available online at <http://www.luzernecounty.org> and can be found under Audit Reports on the Luzerne County Controller's section of the website. Media questions about the report can be directed to the Luzerne County Controller's office at 20 North Pennsylvania Blvd., Suite 213, Wilkes-Barre, PA 18701 or via email to Controllers.Office@luzernecounty.org.