



## Property Tax

### Understanding the Challenges Unique to the Hospitality Industry

Property taxes are typically the single largest line-item expense for a hotel business owner or operator. Yet, too often this substantial liability is treated simply as a compliance function rather than aggressively pursued for assessment reduction. A thorough grasp of the complexities surrounding the hospitality industry's unique economic environment and tax valuation considerations are essential for ensuring these costs are optimally managed down.

#### Industry Variables

- Business, convention, and personal travel have recovered from all-time lows.
- New hotels create a supply and demand imbalance by market, submarket, or micromarket.
- Anticipated Federal Reserve fiscal activity creates risk related to increased capitalization rates.
- Assessors, investors, and market pundits assume unrealistic growth in average daily rate, occupancy, and revenue per available room.
- Higher interest rates hinder the availability of debt and lower loan-to-value ratios.

#### Complex Tax Requirements

- Identify and segregate non-realty (intangible and personal property) values not subject to real estate taxation.
- Navigate the ever-changing valuation methodologies—Rushmore, Business Enterprise, Total Assets of Business, etc.
- Understand jurisdiction-specific valuation requirements and practices.
- Distinguish between investment values and fair market values.
- Manage reporting of transactions to include only assessable real properties.

#### The Ryan Experience

Ryan's Property Tax team is the largest in the industry, with more than 700 professionals across 39 locations. We provide comprehensive North American coverage, the benefit of our local market knowledge, the most sophisticated property tax management software platform in the industry, and a comprehensive range of services to help effectively manage property tax requirements and functions with the goal of avoiding overpayment.

Within our practice, we partner seasoned resort and hospitality consultants with local jurisdiction specialists to deliver a team comprised of valuation experts, licensed attorneys, appraisers, and CMIs intimately familiar with the industry as a whole and specific jurisdictions. Our AtlasTax™ software allows tracking and reporting on property tax deadlines, assessed values, tax amounts, and appeal activities—all in a single, web-accessible database.



#### Specific Challenges Facing Vacation Ownership (VO) Property Tax

- Timeshare and Fractional Ownership properties raise complex valuation issues.
- VO properties are unique in their specific functional, physical, economic, and legal ownership structures.
- Fluctuating ownership structures (points, trusts, etc.) must be monitored and reassessed.
- Valuation methodologies can vary by state.
- Property tax reductions benefit the owners and the developers to the extent of their inventory for sale.
- Property tax reductions enable owners to afford more units (or points in the system), resulting in additional profitability for developers.
- Ryan's VO team pairs subject matter experts with local specialists to achieve significant savings for both developers and Home Owner Associations.

## Ryan is Unique

Effective management of property tax functions cannot be handled in a vacuum, devoid of consideration for potential impacts upon other hospitality business functions and/or taxes. Ryan is uniquely positioned to plan for all such probabilities. Ryan Property Tax professionals partner with our in-house subject matter experts for other tax, industry, and jurisdiction areas to ensure that we always provide the most comprehensive solution to our clients. In conjunction with our Property Tax team, Ryan has more than 2,100 dedicated tax professionals worldwide.

### Ryan Property Tax Consulting Services:

- Pre-acquisition and pre-construction tax forecasting
- Location selection, exemption/credit/abatement services
- Acquisition Price Allocation (APA) or intangible segregation
- Real and personal property compliance
- Transfer and recordation tax planning
- Assessment “benchmark” analysis
- Assessment appeals
- Audit defense
- Annual budgetary planning
- Property tax compliance—personal property, income and expense, and cost
- Tax bill and assessment administration
- AtlasTax software management tool



## About Ryan

Ryan is an award-winning global tax services firm, with the largest indirect and property tax practices in North America and the seventh largest corporate tax practice in the United States. With global headquarters in Dallas, Texas, the Firm provides a comprehensive range of state, local, federal, and international tax advisory and consulting services on a multi-jurisdictional basis, including audit defense, tax recovery, credits and incentives, tax process improvement and automation, tax appeals, tax compliance, and strategic planning. Ryan is a three-time recipient of the International Service Excellence Award from the Customer Service Institute of America (CSIA) for its commitment to world-class client service. Empowered by the dynamic *myRyan* work environment, which is widely recognized as the most innovative in the tax services industry, Ryan’s multi-disciplinary team of more than 2,100 professionals and associates serves over 12,000 clients in more than 40 countries, including many of the world’s most prominent Global 5000 companies. More information about Ryan can be found at [ryan.com](http://ryan.com).

## Major Practice Areas

- Abandoned and Unclaimed Property
- Business License Tax
- Canadian Tax Services
- Communications Transaction Tax
- Controversies and Appeals
- Credits and Incentives
- Customs and Foreign Trade
- Federal Income Tax
- Fraud and Forensic Recovery
- Fuels and Excise Tax
- Human Capital Tax Services
- Insurance Tax
- International Tax
- National Tax
- Property Tax
- Public Affairs
- Severance Tax
- State Income and Franchise Tax
- Tax Account Analysis
- Tax Compliance Services
- Tax Credit Services
- Tax Technology
- Transaction Tax
- Value-Added Tax

### Award-Winning Tax Services

For additional information

**1.855.RYAN.TAX**

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