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## Seminole Hard Rock Hotel in Tampa doesn't pay taxes. So why do its customers?



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The same 12 percent is charged at the Seminole Hard Rock Hotel and Casino Tampa, one of Hillsborough's priciest. But that tax doesn't go to state or local governments. It goes into the pocket of the Seminole Tribe of Florida.

The Hard Rock, located next to the Florida State Fairgrounds, is on sovereign tribal land free from all state and local taxes. Yet the Seminoles choose to impose a tax on its customers, anyway, at the same rate required of other Hillsborough County hotels.

It's a similar story in Broward County, where hotels collect 11 percent tax on each night's stay. There, the 469-room Seminole Hard Rock Hotel and Casino Hollywood — also on tribal land — charges an additional 11 percent, too.

State Sen. Dana Young, R-Tampa, calls the Tribe's hotel tax a "guise" to charge customers more while making it seem like Florida governments are getting a share. Santiago Corrada, Hillsborough County's top tourism promoter, said he didn't know about it and questioned if it was fair.

The tax has likely generated millions of dollars in additional revenue for the Tribe's already hugely profitable casino business.

But Gary Bitner, a spokesman for the Seminoles, said the tax, in part, is charged to help other local hotels. Otherwise, the Hard Rock would have "an unfair competitive advantage over other area hotels" by undercutting their prices, he said. And the money collected goes toward government functions for the Tribe, such as police and fire rescue.

"The unquestionable right of sovereign, self-governing American Indian Tribes to levy sales taxes," Bitner said, "is recognized by the U.S. Congress, the executive branch and federal courts."

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The Tribe's Tampa hotel services the cavernous Hard Rock Casino, one of the largest in the world. It is the most lucrative casino in the Florida Tribe's gambling empire, a business that reportedly pulls in more than \$2 billion a year.

At 239 rooms, the hotel is modest in size, but expensive. Midweek, the cheapest room is more than \$200. A Saturday night stay runs \$599.

That's pre-tax. The *Tampa Bay Times* recently reserved a room at the hotel at a rate of \$259 for one night. At the bottom of the reservation was a charge for \$31.08 in taxes.

When patrons pay for a room at most hotels in Hillsborough, they pay a 7 percent sales tax and a 5 percent tourist development tax. The hotel remits the tax to the government and keeps the room charge.

In the case of the Seminoles, the Tribe keeps the room revenue and the tax.

Bitner said that has been the case since the Hard Rock hotels opened in Tampa and Hollywood in 2004.

It was still news to several longtime local officials, including Corrada; Hillsborough County Commissioner Les Miller, whose district surrounds the casino; and County Tax Collector Doug Belden.

"The minimum they should do is have some kind of disclosure that this tax is not going to local government or the state of Florida," Belden said, though he added that he has never received a complaint.

Without access to Tribal finances, it's impossible for an outsider to know how much revenue those taxes provide the Seminoles. As a sovereign nation -- a status that recognizes the Tribe's ability to manage its own affairs and control its own destiny -- the Seminole's inner workings are not public record. An estimate is difficult as well. Casinos often provide complimentary rooms to gamblers for a variety of reasons and occupancy rates are private.

But after 13 years at two locations, the tax has likely generated millions of dollars for the Seminoles.

"If they're going to be collecting bed taxes in our county they should be remitting those to Hillsborough County," said Young, who as a House member spearheaded negotiations on a new gaming compact with the Tribe.

That suggestion, however, flies in the face of decades of federal law and court rulings that treat American Indian land as sovereign. Tribes throughout the country have used hotel occupancy taxes as a revenue source since at least the early 1990s.

"When you go to Georgia, do you also think those taxes should go to Florida?" said Nathaniel Amdur-Clark, a professor of federal Indian law at the University of Florida. "Tribes can tax anyone in their territory. The tribe is a government. It's not a club or a private organization."

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Last year, Hillsborough County collected \$29 million in tourist development taxes -- the 5 percent tax on each night's stay at a hotel or motel. It's sometimes called a "bed tax."

Hillsborough uses those taxes to finance renovations at venues like Raymond James Stadium and George M. Steinbrenner Field. About \$11.6 million in 2016 went to Visit Tampa Bay, the non-profit organization that handles tourism promotion and advertises county attractions and hotels to visitors.

In lieu of collecting county bed taxes, the Seminoles contribute quarterly an undisclosed amount to Visit Tampa Bay and the Greater Fort Lauderdale Convention & Visitors Bureau.

"The voluntary contributions are unconditional and made in support of the tourism marketing programs of Hillsborough and Broward counties," Bitner said.

But Corrada, president and CEO of Visit Tampa Bay, said the amount is considerably less than what other hotels contribute in bed taxes and it's based on "a gentlemen's agreement from over a decade ago." He has discussed modifying it with Seminole leaders.

"We're in a position where we like all of our hotels and Airbnb to pay their fair share if they're accommodating visitors to their destination," Corrada said. He noted that the Hard Rock Casino is a marketing asset that Visit Tampa Bay highlights to drive tourists to the region.

Hillsborough County receives about \$3 million annually as part of the revenue sharing agreement between the Seminoles and the state, an acknowledgement that the Hard Rock Casino impacts local roads and infrastructure.

But Miller said roads around the Hard Rock are in bad shape and county taxpayers will have to pick up the tab.

"They're collecting money because they can do it and we can't stop them," Miller said. "I just wish they would take some of that to work on the roads out there."

Some local hotels might actually appreciate the surcharge the Hard Rock charges customers, even if it doesn't go to promote tourism here, said Bob Morrison, executive director of the Hillsborough County Hotel and Motel Association. The Hard Rock is a member of the association.

"It would indicate they are not trying to undercut other hotels in the market," Morrison said. "It's one of those issues that has multiple layers associated with it. I would counsel that we shouldn't run to a negative conclusion without more information."

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