



**Joseph M. Centorino**, Inspector General

April 4, 2024

TO: Honorable Mayor and Members of the City Commission  
FROM: Joseph M. Centorino, Inspector General

PROJECT Resort Tax Audit Activities Summary  
OIG No. 24-04  
PERIOD: October 1, 2023 through March 31, 2024

---

Within the City of Miami Beach Office of the Inspector General (OIG) Audit Division are Tax Auditors who verify the compliance of registered businesses with the City Code's Resort Tax provisions. They conduct audits of both annual filers and monthly filers. Annual filers generally involve apartment buildings that remit little or no resort taxes to the City due to the frequency of exemptions for continuous residencies exceeding six months. Monthly filers include hotels, nightclubs, and restaurants, which have frequent daily transactions for which resort taxes are due to the City. Annual filers are required to file once per year for the period of May through April by May 20<sup>th</sup> (adjusted for weekends and holidays), while monthly filers must file each month prior to or on the twentieth (adjusted for weekends and holidays) for the previous month's transactions. The objective of these audits is to determine whether registered taxpayers have accurately reported their revenues and timely remitted any taxes due.

The Finance Department determined that there were 4,292 active Resort Tax accounts as of April 2, 2024, comprised of 939 annual filers and 3,353 monthly filers. The number of monthly accounts has increased significantly over the past several years due primarily to short-term rentals.

As the annual filers are expected to remit little or no resort taxes, OIG's primary focus is to conduct audits of monthly filers. However, Tax Auditors also routinely conduct audits of annual filers, concentrating primarily on determining whether tested tenants satisfy the requirement imposed by City Code Section 102-308(3) that there be a continuous length of residency for longer than six months to be exempt from taxation.

Although the OIG determines the assessment (if any) based on its audit, it is not involved thereafter in the collection phase, initiated by the Finance Department, which may lead to adjustment, appeal, settlement or other resolution involving other City processes and agencies. This process helps achieve a proper segregation of duties between the department performing the audit and those enforcing the assessment.

It should be noted that assessments are not always paid timely and may result in liens being imposed by the City on local properties owned by the delinquent taxpayers or corporate officers. These liens may remain in effect for up to twenty years. Any collected assessments based on OIG audits represent additional revenues to the City that would otherwise not have been received if the audits had not been performed.

