

Transient Occupancy Tax Fund



Description

The Transient Occupancy Tax (TOT) Fund was established to collect the tax associated with the City of San Diego's 10.5% hotel visitor tax. The purpose of TOT is to advance the City's economic health by: promoting the City of San Diego as a visitor destination and place of creativity, innovation, and entrepreneurship in the national and international marketplace; supporting programs that increase hotel occupancy as well as attract and retain base-sector businesses and entrepreneurs, resulting in the generation of TOT and other revenue; development of visitor-related facilities; and supporting the City of San Diego's artistic and cultural amenities, and natural attractions.

The Transient Occupancy Tax (TOT) revenue is guided by the City's Municipal Code Section 35.0101, which stipulates that of the 10.5% of collected TOT revenue, 5.5% is to be applied toward general government purposes, 4.0% towards promoting the City as a tourist destination, and the remaining 1.0% towards any purposes proposed and approved by the Mayor and City Council. Additionally, the TOT Fund also includes projected revenue associated with Measure C, an initiative passed in 2022 to increase the City of San Diego's current 10.5% hotel visitor tax to 11.75%, 12.75% and 13.75%, where each tax rate would depend on a hotel's location in one of three geographic zones. The revenue from the additional taxes would be allocated to convention center expansion and modernization, homelessness services and street repairs.

Transient Occupancy Tax Fund

Department Summary*

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
FTE Positions	0.00	0.00	0.00	0.00
Personnel Expenditures	\$ -	\$ -	\$ -	-
Non-Personnel Expenditures	-	-	82,396,353	82,396,353
Total Department Expenditures	\$ -	\$ -	\$ 82,396,353	\$ 82,396,353
Total Department Revenue	\$ -	\$ -	\$ 82,396,353	\$ 82,396,353

*The Department Summary includes the budget for the new TOT Convention Center and TOT Homelessness Funds related to Measure C. The budget detail related to the Transient Occupancy Tax Fund can be found on the Special Promotional Programs, Economic Development (Cultural Affairs), and Special Events & Filming Budget Pages.

TOT Convention Center*

Department Expenditures

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
TOT Convention Center	\$ -	\$ -	\$ 48,613,848	\$ 48,613,848
Total	\$ -	\$ -	\$ 48,613,848	\$ 48,613,848

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Measure C Revenue and Expenditures	0.00	\$ 48,613,848	\$ 48,613,848
Adjustment to reflect revenue and expenditures for San Diego Convention Center as a result of Transient Occupancy Tax (TOT) increase for Measure C.			
Total	0.00	\$ 48,613,848	\$ 48,613,848

Expenditures by Category

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
NON-PERSONNEL				
Contracts & Services	\$ -	\$ -	\$ 48,613,848	\$ 48,613,848
<i>External Contracts & Services</i>	-	-	48,613,848	48,613,848
NON-PERSONNEL SUBTOTAL	-	-	48,613,848	48,613,848
Total	\$ -	\$ -	\$ 48,613,848	\$ 48,613,848

Revenues by Category

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Transient Occupancy Tax	\$ -	\$ -	\$ 48,613,848	\$ 48,613,848
Total	\$ -	\$ -	\$ 48,613,848	\$ 48,613,848

* The TOT Convention Center Fund is a new fund in the Fiscal Year 2026 Draft Budget.

Transient Occupancy Tax Fund

TOT Homelessness*

Department Expenditures

		FY2024 Actual		FY2025 Budget		FY2026 Draft		FY2025-2026 Change
TOT Homelessness	\$	-	\$	-	\$	33,782,505	\$	33,782,505
Total	\$	-	\$	-	\$	33,782,505	\$	33,782,505

Significant Budget Adjustments

		FTE		Expenditures		Revenue
Measure C Revenue and Expenditures		0.00	\$	33,782,505	\$	33,782,505
Adjustment to reflect revenue and expenditures for homelessness services as a result of Transient Occupancy Tax (TOT) increase for Measure C.						
Total		0.00	\$	33,782,505	\$	33,782,505

Expenditures by Category

		FY2024 Actual		FY2025 Budget		FY2026 Draft		FY2025-2026 Change
NON-PERSONNEL								
Contracts & Services	\$	-	\$	-	\$	33,782,505	\$	33,782,505
Internal Contracts & Services		-		-		33,782,505		33,782,505
NON-PERSONNEL SUBTOTAL		-		-		33,782,505		33,782,505
Total	\$	-	\$	-	\$	33,782,505	\$	33,782,505

Revenues by Category

		FY2024 Actual		FY2025 Budget		FY2026 Draft		FY2025-2026 Change
Transient Occupancy Tax	\$	-	\$	-	\$	33,782,505	\$	33,782,505
Total	\$	-	\$	-	\$	33,782,505	\$	33,782,505

*The TOT Homelessness Fund is a new fund in the Fiscal Year 2026 Draft Budget.

Transient Occupancy Tax Fund

Revenue and Expense Statement (Non-General Fund)

TOT Convention Center***	FY2024 Actual	FY2025* Budget	FY2026** Draft
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ -	\$ -	-
TOTAL BALANCE AND RESERVES	\$ -	\$ -	-
REVENUE			
Transient Occupancy Taxes	\$ -	\$ -	48,613,848
TOTAL REVENUE	\$ -	\$ -	48,613,848
TOTAL BALANCE, RESERVES, AND REVENUE	\$ -	\$ -	48,613,848
OPERATING EXPENSE			
Contracts & Services	\$ -	\$ -	48,613,848
TOTAL OPERATING EXPENSE	\$ -	\$ -	48,613,848
TOTAL EXPENSE	\$ -	\$ -	48,613,848
BALANCE	\$ -	\$ -	-
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ -	\$ -	48,613,848

* At the time of publication, audited financial statements for Fiscal Year 2025 were not available. Therefore, the Fiscal Year 2025 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2025 Adopted Budget, while the beginning Fiscal Year 2025 balance amount reflects the audited Fiscal Year 2024 ending balance.

** Fiscal Year 2026 Beginning Fund Balance reflects the projected Fiscal Year 2025 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2025.

*** The TOT Convention Center Fund is a new fund in the Fiscal Year 2026 Draft Budget.

Transient Occupancy Tax Fund

Revenue and Expense Statement (Non-General Fund)

TOT Homelessness***	FY2024 Actual	FY2025* Budget	FY2026** Draft
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ -	\$ -	-
TOTAL BALANCE AND RESERVES	\$ -	\$ -	-
REVENUE			
Transient Occupancy Taxes	\$ -	\$ -	33,782,505
TOTAL REVENUE	\$ -	\$ -	33,782,505
TOTAL BALANCE, RESERVES, AND REVENUE	\$ -	\$ -	33,782,505
OPERATING EXPENSE			
Contracts & Services	\$ -	\$ -	33,782,505
TOTAL OPERATING EXPENSE	\$ -	\$ -	33,782,505
TOTAL EXPENSE	\$ -	\$ -	33,782,505
BALANCE	\$ -	\$ -	-
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ -	\$ -	33,782,505

* At the time of publication, audited financial statements for Fiscal Year 2025 were not available. Therefore, the Fiscal Year 2025 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2025 Adopted Budget, while the beginning Fiscal Year 2025 balance amount reflects the audited Fiscal Year 2024 ending balance.

** Fiscal Year 2026 Beginning Fund Balance reflects the projected Fiscal Year 2025 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2025.

*** The TOT Homelessness Fund is a new fund in the Fiscal Year 2026 Draft Budget.

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Revenue and Expense Statement (Non-General Fund)

Transient Occupancy Tax Fund	FY2024 Actual	FY2025* Budget	FY2026** Draft
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 29,457,397	\$ 2,822,419	\$ 691,430
TOTAL BALANCE AND RESERVES	\$ 29,457,397	\$ 2,822,419	\$ 691,430
REVENUE			
Charges for Services	\$ 11,587	\$ 29,757	\$ 31,395
Fines Forfeitures and Penalties	-	-	6,000
Licenses and Permits	134,423	120,000	126,628
Other Revenue	(1,610)	-	-
Transfers In	147,147	-	-
Transient Occupancy Taxes	147,165,671	155,779,298	157,796,246
TOTAL REVENUE	\$ 147,457,217	\$ 155,929,055	\$ 157,960,269
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 176,914,614	\$ 158,751,474	\$ 158,651,699
OPERATING EXPENSE			
Personnel Expenses	\$ 1,621,392	\$ 1,772,006	\$ 1,879,943
Fringe Benefits	502,032	526,631	701,573
Supplies	18,685	18,215	10,660
Contracts & Services	105,933,989	102,068,051	95,789,539
Information Technology	318,441	395,605	308,221
Energy and Utilities	5,965	8,700	8,700
Other Expenses	8,027	5,000	5,000
Transfers Out	65,683,663	56,151,017	59,448,701
TOTAL OPERATING EXPENSE	\$ 174,092,195	\$ 160,945,225	\$ 158,152,337
TOTAL EXPENSE	\$ 174,092,195	\$ 160,945,225	\$ 158,152,337
BALANCE	\$ 2,822,419	\$ (2,193,751)	\$ 499,362
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 176,914,614	\$ 158,751,474	\$ 158,651,699

* At the time of publication, audited financial statements for Fiscal Year 2025 were not available. Therefore, the Fiscal Year 2025 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2025 Adopted Budget, while the beginning Fiscal Year 2025 balance amount reflects the audited Fiscal Year 2024 ending balance.

** Fiscal Year 2026 Beginning Fund Balance reflects the projected Fiscal Year 2025 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2025.

*** In addition to the data from the Special Promotional Program, the Transient Occupancy Tax Fund statement reflects data budgeted in the Economic Development (Cultural Affairs) and Special Events & Filming Departments. See each Department budget page for detailed information.