Commercial Property Tax

*Hospitality Qualifications*

The landscape of the hospitality industry is rapidly changing. Transaction volume remains high, capitalization rates are again compressing, expectations for revenue are soaring, and assessment and taxation practices are ever-shifting for the unique category of commercial real estate. This fluid environment drives multiple opportunities for tax reduction and a critical need for streamlined administration of hospitality properties.

The potential impact on profitability makes it imperative to manage and mitigate the largest single operating expense faced by the hospitality industry—property taxes. By taking a holistic approach and assessing the tax management and administrative challenges associated with each stage in an asset’s life, Ryan provides customized services that add value to your bottom line.

*Single-Source Provider of Specialized Solutions*

A single-source solution to coordinate, consult, and advise ensures that your organization pays no more than its fair share of state and local taxes. Ryan is the only full-service provider to consider all tax implications associated with the acquisition, management, and disposition of real and personal property assets. Our lodging and hospitality clients benefit from a comprehensive suite of services designed to mitigate internal costs and risks, enhance cash flow, and produce optimal return on investments.

*Hospitality Expertise*

2019 Portfolio of Hospitality Sites Totaling a Value in Excess of $66.9 Billion
### Customized Services

#### TAX LIABILITY MANAGEMENT

<table>
<thead>
<tr>
<th>THE CHALLENGE</th>
<th>WHAT RYAN DELIVERS</th>
<th>THE VALUE</th>
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<tbody>
<tr>
<td>Appropriate Accrual Planning</td>
<td><strong>Annual Budget:</strong> Custom annual budgeting from local experts.</td>
<td>Detailed deliverables support forecasting and business planning.</td>
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<td>Monitoring Value Changes and Appeal Deadlines</td>
<td><strong>Assessment Notice and Deadline Tracking:</strong> Management of all notices and deadlines for filings and appeals.</td>
<td>No missed appeal opportunities and up-to-date and accurate reporting.</td>
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<td>Complying with Disclosure Requirements</td>
<td><strong>Compliance:</strong> Review or prepare thorough and accurate personal property returns, tax bill transmittals, income and expense statements, and cost of sale disclosures.</td>
<td>Tax savings may be realized through filing methodology and early payment discounts, and potential penalties for non-compliance can be avoided.</td>
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<tr>
<td>Avoiding Overpayment of Property Taxes</td>
<td><strong>Valuation, Review, and Appeal:</strong> In-depth property valuation analysis that considers local and hospitality market conditions; provide appeal recommendations for resolving any valuation disputes.</td>
<td>Generate tax savings through detailed analysis of assets, deployment of assertive appeal strategy, and positive resolution of valuation appeal.</td>
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<tr>
<td>Reviewing, Confirming Appropriateness, and Paying Property Taxes</td>
<td><strong>Tax Bill Processing:</strong> Tracking down tax bills, reviewing for accuracy, and timely delivery of bills with payment instructions.</td>
<td>Timely payment of tax bills is important in taking advantage of early payment discounts and avoiding penalties and interest.</td>
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#### DISPOSITION

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<td>Avoiding Unforeseen Tax Pitfalls Potentially Associated with a Sale</td>
<td><strong>Exit Planning:</strong> Advice regarding potential tax or other implications of transaction particular to each unique market.</td>
<td>Assistance to brokers with accurate and reliable assumptions for offering memorandums, closing statements, and other deal documents.</td>
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<tr>
<td>Potential Overpayment of Transfer Taxes</td>
<td><strong>Acquisition Price Allocation:</strong> Thorough study of buyer-and-seller assumptions focused on state and local tax and specific recordation, transfer, and property reporting and taxation requirements.</td>
<td>Minimize seller-side transaction liabilities; also, buyers and sellers have a more detailed and articulate document to summarize their assumptions.</td>
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#### ACQUISITION AND DEVELOPMENT

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<td>Understanding the Impact of Acquisition or Construction</td>
<td><strong>Due Diligence:</strong> Provide insights into how each unique market addresses sales, development, or divestiture.</td>
<td>More precise budgeting and better-informed business decisions.</td>
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<tr>
<td>Potential Overpayment of Transfer or Recordation Taxes</td>
<td><strong>Acquisition Price Allocation:</strong> Thorough study of buyer-and-seller assumptions focused on state and local tax and specific recordation, transfer, and property reporting and taxation requirements.</td>
<td>Opportunity for immediate benefits from reduced transfer and/or recordation tax burden, which could carry on in perpetuity with subsequent real property tax savings.</td>
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<tr>
<td>Navigating Varied Requirements to Maximize Available Incentives</td>
<td><strong>Credits and Incentives:</strong> Identify, secure, or maintain all available credits and incentives.</td>
<td>Maximize return by subsidizing costs through local credits and incentives.</td>
</tr>
<tr>
<td>Ensuring Compliance and Correct Payment of Transactional Taxes</td>
<td><strong>Sales and Use Tax:</strong> Comprehensive analysis of all sales and use tax implications related to the acquisition or development.</td>
<td>Successfully targets tax reduction opportunities and helps reduce liability.</td>
</tr>
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<td>Accurate Budget and Cash-Flow Planning</td>
<td><strong>Tax Budgeting:</strong> Thorough forecasting, tax estimates, and market evaluation.</td>
<td>Detailed, reliable, and timely reporting to support tax estimations and budgeting.</td>
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<tr>
<td>Complying with Sale Disclosure Demands in Each Unique Market</td>
<td><strong>Transaction Reporting:</strong> Advise when compliance is mandatory and the optimal methodology for required reporting of the agreed-upon assumptions of each party.</td>
<td>Buyers and sellers have a more detailed and articulate document to summarize their assumptions.</td>
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Asset Liability Cycle

Specialized solutions for hospitality property types in all stages of the asset liability cycle:

**TAX LIABILITY MANAGEMENT**

- **Budget**
- **Assessment Notice**
- **Tax Bill**
- **Tax Appeal**
- **Property Tax Compliance**
- **Disposition**

- Acquisition and development strategy
- Tax forecasts and budgets
- Exemptions, credits, and abatements
- Transfer and/or recordation tax plans
- Intangible asset valuation and segregation
- Transaction reports

- Exit planning
- Transfer and/or recordation tax plans
- Intangible asset valuation and segregation
- SUT disclosure reviews/planning
- Transfer tax planning

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"Ryan has been a trusted partner for more than a decade, consistently delivering outstanding client service and significant property tax savings."

Sr. Vice President, Operations, Finance and Accounting

SAGE HOSPITALITY

"Ryan's comprehensive hospitality industry and REIT experience, as well as their strategic approach to property tax, resulted in a substantial reduction of our tax liability in multiple jurisdictions across the country."

Manager, Property & Transaction Taxes

SUNSTONE HOTEL INVESTORS

"The property tax experts at Ryan consistently provide great service and results, and add value to our bottom line."

Director of Property Tax

MAJOR HOSPITALITY CORPORATION
Multidisciplinary Team of Tax Experts

Ryan deploys a multidisciplinary team of experienced tax and hospitality industry experts with longstanding jurisdictional relationships, as well as the knowledge and resources needed to successfully manage the unique tax needs of the hospitality industry. Our integrated team of industry-leading professionals is comprised of certified and designated appraisers, personal property experts, former state and local assessment officials, engineers, attorneys, certified public accountants, and financial analysts.

Broad Geographic Coverage with Local Expertise

National coverage with local expertise and relationships, as well as a strong understanding of the industry, is essential to maximizing the value of hospitality assets. With significantly more local market experts than any other provider, Ryan is uniquely positioned to help organizations understand the complexities of multiple tax jurisdictions and their different approaches to valuing and assessing hospitality property types.

Uncompromising Commitment to Client Service

A commitment to excellence and utilization of sophisticated technology solutions ensure that we’re more thorough, efficient, and effective than our competitors. Every client of Ryan has our unconditional guarantee that we will deliver the very best results possible.

About Ryan

Ryan, an award-winning global tax services and software provider, is the largest Firm in the world dedicated exclusively to business taxes. With global headquarters in Dallas, Texas, the Firm provides an integrated suite of federal, state, local, and international tax services on a multijurisdictional basis, including tax recovery, consulting, advocacy, compliance, and technology services. Ryan is an eight-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 multidisciplinary team of more than 2,800 professionals and associates serves over 16,000 clients in more than 50 countries, including many of the world’s most prominent Global 5000 companies. More information about Ryan can be found at ryan.com.