

# ALERT

AUGUST 10, 2011

## TAX

News Concerning Recent Tax Issues



COZEN  
O'CONNOR.  
www.cozen.com

## DECLARATORY JUDGMENT ON HOTEL TAX APPLICATION MAY PROCEED

---

Joseph C. Bright • 215.665.2053 • [jbright@cozen.com](mailto:jbright@cozen.com)

A panel of the Commonwealth Court held that a county could proceed with a declaratory judgment action seeking to establish that online reservation companies are subject to the county's hotel tax. *County of Lawrence v. Hotels.com LP*, No. 2541 C.D. 2010 (Pa. Commw., Aug. 3, 2011). The court held that because the action was for a declaratory judgment, the rule of exhaustion of administrative remedies did not apply. See 42 Pa. C.S. §§ 7541(b), (c)(2). The court stated that a court was in the best position to resolve the question whether the enabling statute and county ordinance applied to online reservation companies. The court did not cite or discuss *Cherry v. City of Philadelphia*, 692 A. 2d 1082 (Pa. 1997), or *City of Philadelphia v. Hotels.com*, July Term 2005, No. 860 (Phila. Com. Pleas May 25, 2006), which held respectively that a taxpayer and the City of Philadelphia could not proceed directly to court for a ruling on the application of tax statutes, but must proceed first before the City's Tax Review Board.

Atlanta • Charlotte • Cherry Hill • Chicago • Dallas • Denver • Harrisburg • Houston • London • Los Angeles • Miami • New York  
Philadelphia • San Diego • Santa Fe • Seattle • Toronto • Washington, DC • West Conshohocken • Wilkes-Barre • Wilmington