



A V E N U

INSIGHTS & ANALYTICS

Growing relationships, growing revenue.

**HOW ONE TAX AUDIT
OPENED THE GATES
TO MILLIONS IN
UNDISCOVERED,
UNTOUCHED
CITY REVENUE.**

CASE STUDY:
BEAUMONT, TX

Challenge:

Uncover untapped financial opportunities for a midsized municipality

Timeframe:

2010 – present

Client:

The city of Beaumont, TX;
population 118,000

Solutions:

Hotel audit, sales tax audit, franchise audit, solid waste audit, administration, and STARS



Beaumont, Texas is a mid-sized city located east of Houston, near the Louisiana border. Home to one of the country's earliest major oil fields, the city remains a leading petro-chemical refining area with multiple oil and energy companies within its borders.

In 2010, Beaumont's leaders partnered with Avenu to explore a different kind of resource: untapped revenue. Starting with a simple hotel audit, they discovered hundreds of thousands of dollars in hotel taxes. The partnership — and its associated revenue stream — continue to grow; with Avenu's resources, insight, and expertise, Beaumont has tapped into millions in additional hotel taxes, sales and use taxes, and more.

Hotel Tax: An Overlooked Resource



One recurring challenge for Texas municipalities is collecting tax revenue from hotels. Beaumont previously relied on desktop spreadsheet software to manage payments. But without the proper tools for analyzing and projecting tax data, its officials were unable to track noncompliant businesses, payment histories, or budgetary allocations.

Though Beaumont was only a midsized city, it was home to 30 hotels, ranging from larger corporate chains to frequently overlooked mom-and-pop motels. After compiling and combing through all the data, our team set up a streamlined online portal allowing businesses to file and pay online. With Avenu's help, city officials were able to secure a sizable sum of previously overlooked revenue.

Avenu uncovered \$189K in hotel tax revenue for the city of Beaumont in 2011.

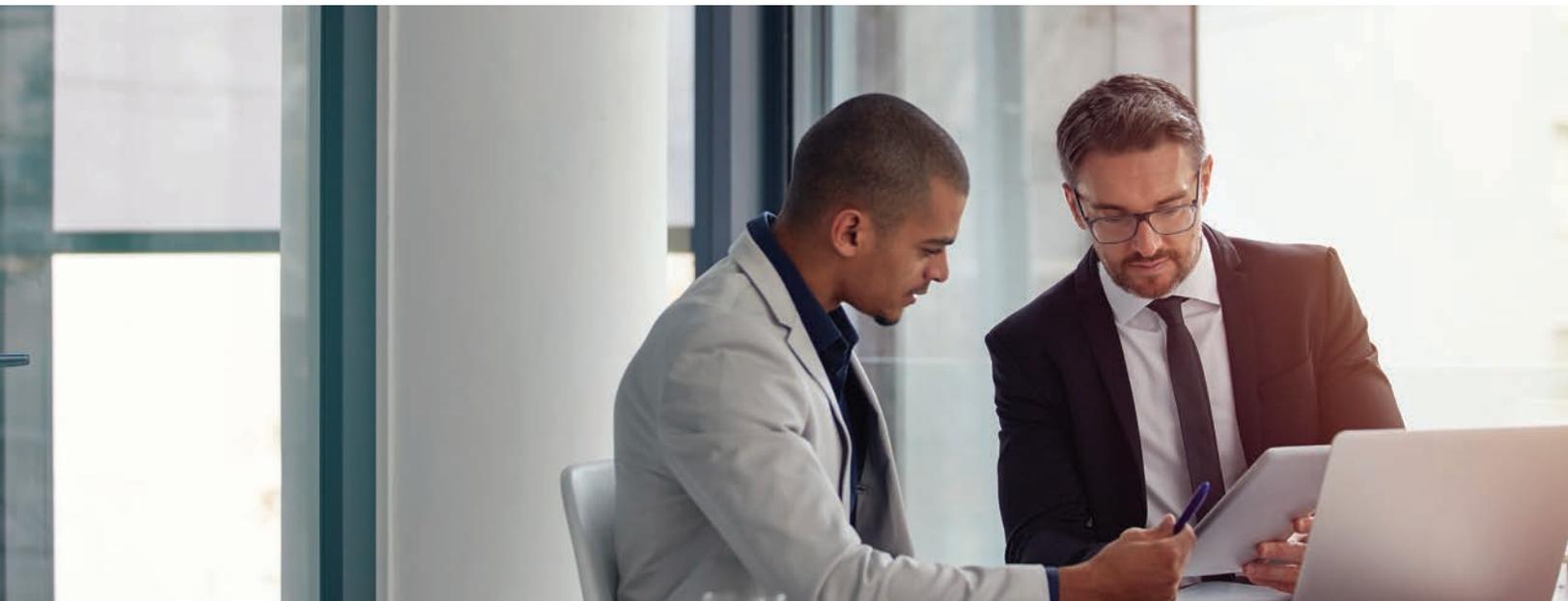
In following years, the total amount of hotel occupancy tax recovered would grow to over \$350K. By 2017, Avenu's software and revenue administration team processed a total of **\$10.6 million** in Beaumont's hotel occupancy taxes.

“For cities like Beaumont, the hotel occupancy tax is a significant source of revenue that helps pay for important arts and tourism programs and other attractions. Rather than getting the best of local businesses, our goal is to take a closer look when we see large fluctuations. There may be natural growth, but even then, costly errors happen.”

KENNON WALTHALL

*Senior Vice President of
Avenu Insights & Analytics*

Bolstered by their windfall, Beaumont city officials expanded the scope of their partnership with Avenu, opening doors for additional discovery and revenue.



Sales Tax: A Major Breakthrough



In addition to hotel taxes, Avenu was given the responsibility of reviewing Beaumont's sales and use taxes for compliance. Results revealed several taxpayers misreporting sales tax, including a company based out of state that was not reporting taxes on its Beaumont-based sales office. The result?

Avenu recovered \$293K in sales and use tax revenue for the city of Beaumont in 2013.

The Avenu team ensured that the city would continue to receive the sales tax due from these taxpayers on a prospective basis. Thanks to Avenu's tactical approach, based on a no-risk contingency fee, Beaumont officials did not have to pay Avenu until the city received the additional taxes. And by using Avenu's proprietary software STARS, officials were able to visualize the city's goals with graphical sales and use tax reports.

Built on Trust



In order to support these expanded efforts, including franchise and solid waste audits, Beaumont city officials turned to Avenu’s administrative staff. The team of five took on the heavy lifting of day-to-day operations, cutting costs and freeing city officials from hundreds of hours in tax collections and processing duties.

Our people tackled the transition with a focus on speed and complete transparency. They addressed every issue quickly and effectively, providing constant reports and detailed explanations for every obstacle — and success.

Thanks to Avenu's comprehensive range of capabilities and insights, the city of Beaumont has been able to streamline processes, build relationships with local businesses, and fully maximize revenue. City officials continue to work hand-in-hand with Avenu to shape the future of the community — together.



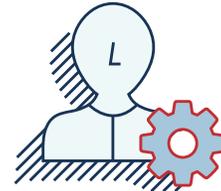
DISCOVERY &
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COMPLIANCE
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DATA &
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ADMINISTRATION

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for your city.**

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