

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 722 HLS 16RS 957

Bill Text Version: REENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 rows and 4 columns: Date, Time, Author, Dept./Agy., Subject, Analyst. Row 1: May 17, 2016, 4:20 PM, MORENO, Revenue, Registration of online hotel marketers, Deborah Vivien.

REVENUE DEPARTMENT RE SEE FISC NOTE GF EX See Note Page 1 of 1
Provides relative to registration of certain online hotel marketplaces and collection of the tax imposed on certain online hotel sales

Current law directs those selling hotel rooms to remit state sales tax to LDR and local sales tax to the appropriate local authorities. Online marketers of excess rooms pay sales tax when purchasing the rooms directly from the hotel.

Proposed law requires the Department of Revenue to promulgate rules to provide for registration of online hotel marketplaces. The Secretary is directed to allocate existing resources to implement this registration. Effective July 1, 2016.

Table with 7 columns: EXPENDITURES, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

The bill requires the Department of Revenue to provide by rule for the registration of online hotel marketers. This will presumably be the same procedure already in place for all hotels and, if so, will likely readily fit within the configuration of the current system, especially with electronic filing availability.

The bill directs this action to occur by allocating existing resources within the Department. Such provisions do not necessarily mean there is no cost associated with the requirements of a bill; only that those costs are implicit in the supplanting or delay of other functions/activities of an agency.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The bill directs the secretary to promulgate rules for the registration of online hotel marketplaces within the department.

While this action might result in some online marketers collecting and remitting sales tax on hotel room rentals that were previously not collected, no directive or guidance as to any tax collections is provided in the bill.

Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Gregory V. Albrecht
Gregory V. Albrecht
Chief Economist