

LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 374** HLS 25RS 829
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

| | | |
|--|---------|--------------------------------|
| Date: April 22, 2025 | 6:24 PM | Author: MCFARLAND |
| Dept./Agy.: Revenue | | |
| Subject: Sales/Use Tax Marketplace Facilitators | | Analyst: Mimi Blanchard |

TAX/SALES & USE EG SEE FISC NOTE LF RV See Note Page 1 of 1
Includes accommodations intermediaries within the definition of a marketplace facilitator for purposes of collection and remittance of sales and use taxes on remote sales
Current law imposes state and local sales and use taxes on sales of hotel rooms or other sleeping accommodations, including those facilitated by a platform (accommodations intermediaries). Marketplace facilitators, remitting as remote sellers, include persons facilitating sales for marketplace sellers through platforms they own, operate, or control and explicitly exclude persons facilitating the furnishing of accommodations by hotels.

Proposed law adds accommodations intermediaries to the definition of marketplace facilitators required to register, collect and remit state and local sales and use taxes as a remote seller. An accommodations intermediary is defined as a person who, other than the owner, operator, or manager, facilitates the furnishing of accommodations to transient guests through a marketplace they own, operate, or control.
Effective July 1, 2025.

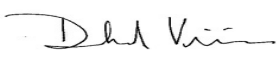
| EXPENDITURES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|---------------------|------------|------------|------------|------------|------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|---------------------|------------------|------------------|------------------|------------------|------------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION
There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION
There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law adds accommodations intermediaries as remote dealers for collecting and remitting state and local sales and use taxes on lodging but does not change the taxability of these transactions. As such, it is not expected to have a material impact on overall collections.

The Remote Sellers Commission (RSC) retains a 1% collection fee and will do so under this bill as it is charged with collecting remote sales tax for local taxing authorities from marketplace intermediaries. Local revenue may decline temporarily by the RSC fee amount. However, the fee is in place to fund RSC operations, which it has done prior to this bill, and the remainder of fee collections have routinely been returned to the locals, which is expected to continue to occur.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |  |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | Deborah Vivien Chief Economist |