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## DIGEST

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HB 722 Engrossed

2016 Regular Session

Moreno

**Abstract:** Defines "online hotel marketplace", "online hotel operator", and "online hotel sale". Requires registration by online hotel marketplaces with the Dept. of Revenue and certain procedures for collecting, remitting, and distributing taxes imposed on online hotel sales.

Present law provides procedures for collecting and remitting the state sales tax by dealers to the secretary of the Dept. of Revenue (DOR). Proposed law retains present law.

Proposed law defines the following terms:

- (1) "Online hotel marketplace" means any person that provides a digital platform for hotels to furnish occupancy to a transient guest at a sleeping room, cottage, or cabin in exchange for compensation.
- (2) "Online hotel operator" means a hotel, as defined in present law, that furnishes occupancy to a transient guest at a sleeping room, cottage, or cabin through an online hotel marketplace.
- (3) "Online hotel sale" means furnishing occupancy to a transient guest at a residential location by an online hotel operator facilitated through an online hotel marketplace.

Proposed law requires an online hotel marketplace to register with the DOR for payment of taxes imposed on online hotel sales facilitated by the online hotel marketplace. Further requires a registered online hotel marketplace to remit all taxes collected to DOR in accordance with the provisions of present law, along with a report of the amount of tax collected from each taxing jurisdiction.

Proposed law designates the secretary of DOR as an agent of local government for purposes of collecting the local taxes collected by an online hotel marketplace. Further provides for distribution of the local taxes collected in a pro rata share to the political subdivisions levying a tax on the online hotel sales.

Effective July 1, 2016.

(Adds R.S. 47:306.4)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change from permissive to mandatory an online hotel marketplace's obligation to register with the Department of Revenue.
2. For purposes of defining "online hotel marketplace" and "online hotel operator", delete the qualification that the location for which a hotel is compensated for furnishing be a residential location.
3. Make technical changes.