

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 722** HLS 16RS 957

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> June 3, 2016	12:07 PM	<b>Author:</b> MORENO
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Registration of online hotel marketers		

REVENUE DEPARTMENT EN 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. Online marketers of residential rentals have not typically collected sales tax because hotels historically were defined as having 6 rooms or more. The law was changed effective April 1, 2016, in Act 17 of 2016 First Extraordinary Session to include all hotel room rentals, regardless of the number of rooms.

Proposed law requires the Department of Revenue to promulgate rules to provide for registration of online hotel dealers as defined by R.S. 47:301(4)(f)(ii), added by Act 17 of 2016 First Extraordinary Session. The Secretary is directed to allocate existing resources to implement this registration. Effective July 1, 2016.

<b>EXPENDITURES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The bill requires the Department of Revenue to provide by rule for the registration of online hotel dealers. 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. In this case, it may be reasonable to assume that the agency can absorb associated costs since there are expected to be only a few online hotel dealers registering, and they will do so in the same manner and within the same system as existing hotels.

**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 with LDR of online hotel dealers obligated to collect state sales tax.

While this action might result in some online dealers 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.

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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} |              |

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