



OFFICE OF LEGISLATIVE AUDITOR

Fiscal Note

Fiscal Note On: **HB 339** HLS 19RS 370
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 26, 2019 5:54 PM **Author:** DWIGHT
Dept./Agy.: Tourist Commissions & Visitors Bureaus
Subject: Hotel Definition for Occupancy Taxes **Analyst:** Barbara Lively

TOURISM/COMMISSION EG INCREASE LF RV See Note Page 1 of 1
 Provides relative to hotel occupancy taxes levied by certain tourist commissions and convention and visitors bureaus

PURPOSE OF BILL: This measure establishes a change in the definition of "Hotel" for the implementation of occupancy taxes statewide. The definition of "Hotel" will now encompass short term rentals.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
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REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on local fund expenditures as a result of this measure.

The Louisiana Association of Convention & Visitor Bureaus stated that the expenditure impact may be nominal, as the occupancy tax collection systems are already in place (for the most part).

REVENUE EXPLANATION

There may be an increase in local fund revenues as a result of this measure ranging from \$244,000 to \$488,000 annually (statewide).

Per an official with the Louisiana Association of Convention & Visitor Bureaus, the number of short term rentals and the frequency in which short term rentals are used is difficult to estimate due to the fluctuation in each marketplace based on need and local events.

Using state sales tax data received from the Louisiana Department of Revenue, net short term rental receipts totaled approximately \$12.2 million for the past year (excluding Jefferson and Orleans parishes). Considering statewide occupancy taxes are usually between 2% and 4%, the additional amount estimated to be collected is between \$244,000 and \$488,000 annually (which would be collected at the parish level depending on the rate authorized in the parish).

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