

Subject: Hotel Occupancy Tax

TOURISM/COMMISSION

EG SEE FISC NOTE LF EX

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Analyst: Steven Kraemer

Provides relative to the collection of hotel occupancy taxes levied by the Beauregard Tourist Commission

Purpose of Bill: This bill allows the Beauregard Tourist Commission (Commission) to contract with the Beauregard Parish Sheriff's Office (Sheriff) for the collection of hotel occupancy taxes.

An official with the Commission indicated that using the Sheriff to collect the hotel occupancy tax would be a more effective means of collection.

EXPENDITURES	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
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					
Annual Total						
REVENUES	<u>2020-21</u>	2021-22	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
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					

EXPENDITURE EXPLANATION

This bill may increase the Sheriff's expenditures by an indeterminable amount.

An official with the Sheriff's Office indicated that the cost to upgrade their software to handle the collections would be \$4,800 for the initial setup and \$1,000 annually for maintenance fees. This would be paid to their software vendor.

In addition, this official indicated that the Sheriff will likely mail out a monthly form to businesses for the hotel occupancy tax. He estimated that the monthly mailing would cost about \$0.80 per business, but he was not certain how many businesses the Sheriff would have to mail this form to each month.

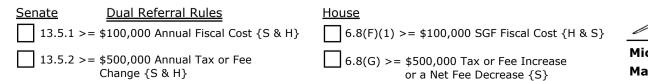
REVENUE EXPLANATION

This bill may increase the Sheriff's revenue by an indeterminable amount, and decrease the Commission's revenue by the same amount.

An official with the Beauregard Parish Police Jury indicated the Commission's hotel occupancy tax generated approximately \$103,000 during calendar year 2019 (**prior to COVID-19**).

An official with the Sheriff's Office indicated that the Sheriff may charge a 1.87% collection fee to collect the hotel occupancy tax. However, this official indicated that the rate imposed may be subject to negotiation with the Commission in order to recoup the Sheriff's costs related to collecting these taxes.

Based on this information, this bill could increase Sheriff revenue by approximately 1,900 annually ($103,000 \times 1.87\%$) assuming 1.87% fee is charged, but could also be higher to recoup the Sheriff's costs. This increase in revenue for the Sheriff will result in a decrease in revenue for the Commission by the same amount.



F. Battle

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