



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 681** HLS 21RS 1264
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 4, 2021	10:59 AM	Author: BOURRIAQUE
Dept./Agy.: Revenue		Analyst: Benjamin Vincent
Subject: Sales Tax Exclusion: Certain Hotels		

TAX OR DECREASE SD RV See Note Page 1 of 1
 Provides an exclusion from sales and use taxes for certain establishments

Present law levies state sales and use taxes on certain furnishing of sleeping rooms by hotels. Taxes on these purchases are dedicated to various parish tourism and visitor enterprise funds. Certain nonprofit, camp, and retreat facilities are excluded from state tax on these purchases. Present law additionally authorizes certain commissions to levy taxes on the occupancy of hotel rooms, motel rooms, and overnight camping facilities.

Proposed law excludes facilities zoned by local ordinance as disaster recovery housing, temporary workforce housing, and other establishments that are not available for use by the general public from sales and use tax and certain occupancy taxes.

Effective August 1, 2021.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	\$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>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

LDR reports that modifying the revising the various affected hotel/motel returns will require expenditures for tax return form redesign, and for computer system modification, development, and testing, amounting to approximately \$51,000 of staff time.

REVENUE EXPLANATION

Proposed law would exclude certain purchases that are currently taxable as the furnishing of a sleeping room from state sales and use tax and certain occupancy taxes, resulting in an indeterminable decrease in revenues. A large portion of the sales impacted by proposed law are dedicated to various local tourist and visitor commissions, and to the extent that such purchases are made at locations that do not have an associated dedication, proposed law would additionally cause a reduction in state general fund revenues.

For information purposes, LDR reports that audits of certain temporary workforce housing has yielded an assessment of uncollected revenues on approximately \$10 million of taxable transactions that would be excluded from taxation under proposed law. Information on other types of furnished rooms that would be excluded by proposed law is not currently available.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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