

2016 Regular Session

HOUSE BILL NO. 722

BY REPRESENTATIVE MORENO

REVENUE DEPARTMENT: Provides relative to registration of certain online hotel marketplaces and collection of the tax imposed on certain online hotel sales

1 AN ACT

2 To enact R.S. 47:306.4, relative to online hotel sales; to provide for registration of certain
3 online hotel companies; to provide for collection of the tax imposed on online hotel
4 sales; to provide for definitions; to provide for effectiveness; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:306.4 is hereby enacted to read as follows:

8 §306.4. Collection from online hotel companies

9 A. As used in this Section, the following terms have the meaning ascribed
10 to them in this Section:

11 (1) "Online hotel marketplace" means any person that provides a digital
12 platform for compensation through which a hotel, as defined in R.S. 47:301(6),
13 offers to furnish to a transient guest a sleeping room, cottage, or cabin.

14 (2) "Online hotel operator" means a hotel, as defined in R.S. 47:301(6), that
15 offers to furnish to a transient guest a sleeping room, cottage, or cabin through an
16 online hotel marketplace.

17 (3) "Online hotel sale" means a sale facilitated through an online hotel
18 marketplace in which there is an amount required to be paid by a transient guest as
19 a condition of occupancy of a residential location to an online hotel operator.

1 B. An online hotel marketplace shall register with the Department of
 2 Revenue for the payment of the taxes imposed by the state or any local governing
 3 authority on any online hotel sale facilitated by the online hotel marketplace. An
 4 online hotel marketplace that is registered with the Department of Revenue pursuant
 5 to this Section shall remit all taxes collected to the secretary of the Department of
 6 Revenue in accordance with the provisions of R.S. 47:306(A), along with a report
 7 of the amount of aggregate tax collected from each respective taxing jurisdiction.

8 C. The secretary of the Department of Revenue shall collect all local tax as
 9 an agent of local government. The secretary of the Department of Revenue shall
 10 distribute monthly the proceeds of the tax to the central local sales and use tax
 11 collector or, if none, the parish governing authority. The central local sales and use
 12 tax collector or governing authority shall distribute at no charge the tax proceeds
 13 received from the secretary of the Department of Revenue to each political
 14 subdivision in the parish that levies a tax on the online hotel sale in accordance with
 15 the pro rata share of local tax receipts collected to the total of all taxes collected
 16 within the parish.

17 Section 2. The provisions of this Act shall become effective July 1, 2016.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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.