

HB 3137 A STAFF MEASURE SUMMARY

Carrier: Rep. Marsh

House Committee On Revenue

Action Date: 05/20/19

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 7-0-0-0

Yeas: 7 - Findley, Hernandez, Marsh, Nathanson, Reschke, Smith G, Smith Warner

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

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Meeting Dates: 3/27, 5/20

WHAT THE MEASURE DOES:

Provides that transient lodging tax becomes due when occupancy of transient lodging with respect to which tax is imposed ends. Provides that transient lodging tax to be remitted with tax return is amount of tax due with respect to all occupancy of transient lodging that ended during reporting period to which return relates. Effective on 1/1/2020.

ISSUES DISCUSSED:

- The time lag between time end and report.
- Payment being at different time than filed return.
- On line companies and their processes.
- Change in implementation date.

EFFECT OF AMENDMENT:

Changed the effective date to 1/1/2020.

BACKGROUND:

In 2003, the Legislative Assembly (HB 2267) decided to designate the Oregon Tourism Commission a stand-alone agency. The same legislative action established a statewide one percent transient lodging tax to help fund the tourism commission. Under the 2003 law the Legislature defined transient lodging in ORS 320 as “hotel, motel and inn dwelling units that are designed for temporary overnight human occupancy, and [which] includes spaces designed for parking recreational vehicles during periods of human occupancy of those vehicles.” The law requires the Oregon Tourism Commission to spend at least 80 percent of lodging tax net receipts on state tourism marketing programs and up to 15 percent of net receipts on regional tourism marketing programs. The same bill restricted any local TLT taxes (after 2003) to be spent 70% on tourism and 30% to general uses.

The 2005 Legislative Assembly (HB 2197) expanded the definition of transient lodging to include dwelling units used for temporary human occupancy. Temporary is defined as fewer than 30 days at a time. Most recently, the 2013 Legislative Assembly (HB 2656) clarified circumstances under which a transient lodging intermediary rather than a lodging provider would be the entity responsible for collecting and remitting transient lodging taxes. A transient lodging intermediary is defined as “a person other than a transient lodging provider that facilitates the retail sale of transient lodging and charges for occupancy of the transient lodging.” Transient lodging intermediaries include online travel companies, travel agents, and tour outfitter companies, among others. Eighty four cities and fifteen counties in Oregon levy a locally administered transient lodging tax and are also included in

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that definition. Online Travel Companies (OTC) will have to collect the tax based on the final price that the consumer pays. HB 4146 of the 2016 session Increased state transient lodging tax rate from the current 1 percent to 1.8% till end of June 2020, then it goes down to 1.5% from that date on. The bill also changed the distribution of revenue from a discretionary amount with a ceiling of 15% to two categories for regional development. Allocates 20% of revenue to the first category for regional development, and 10 % to the second category consisting of grants to regional tourism efforts.