

77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
SENATE COMMITTEE ON FINANCE AND REVENUE

MEASURE: HB 2656 - B
CARRIER: Sen. Burdick

REVENUE: Revenue Impact Statement Issued

FISCAL: Fiscal Impact Statement Issued

Action: Do Pass with Amendments to the A-Eng Bill. (Printed B-Eng.)

Vote: 3-1-1

Yeas: Hass, Rosenbaum, Burdick

Nays: Baertschiger

Exc.: George

Prepared By: Mazen Malik, Economist

Meeting Dates: 06/10, 06/12

WHAT THE BILL DOES: Requires transient lodging provider and transient lodging intermediary to collect and remit transient lodging taxes computed on total retail price, including all charges other than taxes, paid by person for occupancy of transient lodging.

ISSUES DISCUSSED:

- Tax base and applicable price (retail or wholesale).
- Tax applies to which operators and how it is calculated.
- Cleaning services, parking services and other services, as a condition for the rental.
- Internet model and online reservations, and price offered.
- Price differences between online companies (OTC) and hotel website.

EFFECT OF COMMITTEE AMENDMENTS: The amendment takes out the requirement that the Tourism Commission use proceeds of the new enforcement (or a minimum of \$600,000) for the office of film and video.

BACKGROUND:

Transit lodging tax is defined and detailed in ORS 320. The providers of transient lodging (hotel, motel, conference rooms, condominium for rent, and other temporary rental facilities) are meant to collect the tax and receive 5% compensation. This measure changes the definition of who is the tax collector, and introduces the definition of the intermediary who along with the previously defined providers becomes the tax collectors. The measure also identifies the point of taxation to be at the retail level which in essence allows the new tax collectors (internet service companies) to pay the tax based on their sale price (retail price to consumer) not the (net or wholesale) price they were charged by the lodging provider (hotel/motel). The measure also explains the base of the tax to be inclusive of all fees and charges other than taxes.

State Capitol Building
900 Court St NE, Room 143
Salem, OR 97301-1347

Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>