

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
78th Oregon Legislative Assembly
2016 Regular Session
Legislative Revenue Office

Bill Number: HB 4146 - B
Revenue Area: Transient Lodging
Economist: Mazen Malik
Date: 02-19-2016

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Increases state transient lodging tax rate.in two stages.

Revenue Impact (in \$Millions):

Increases the transient lodging tax to 1.8% from the current 1 percent level. It also changes the distribution of revenue.

		BN 15-17	BN 17-19	BN 19-21	BN 21-23
Gross revenue		\$ 13.6	\$ 29.4	\$ 32.0	\$ 34.6
collection allowance	5.0%	\$ (0.7)	\$ (1.5)	\$ (1.6)	\$ (1.7)
DOR allowance	2.0%	\$ (0.3)	\$ (0.6)	\$ (0.6)	\$ (0.7)
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		BN 15-17	BN 17-19	BN 19-21	BN 21-23
Available Revenue		\$ 12.7	\$ 27.4	\$ 29.7	\$ 32.2
Regional	20%	\$ 2.5	\$ 5.5	\$ 5.9	\$ 6.4
Grants	10%	\$ 1.3	\$ 2.7	\$ 3.0	\$ 3.2
Tourism Commission		\$ 8.9	\$ 19.2	\$ 20.8	\$ 22.5

Impact Explanation:

The "A-8" amendment changes the tax rate, adds a 10% regional grant distribution, and makes the regional distribution 20%. Requires the Tourism Commission to report on expenditure and grants greater than \$2 million to the Legislative Fiscal Office. The amounts shown as 20 % for the grant program and the regional distributions would actually be larger than that amount (\$13.5 million a biennium). This is a result of the bill operating in the same way on new and existing revenue streams. The amendment leaves the tourism commission with about a 50% increase in revenue. The total revenue (new and existing) to the tourism commission is expected to average about \$47 million in a biennium.

Creates, Extends, or Expands Tax Expenditure: Yes No

