

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
79th Oregon Legislative Assembly  
2018 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b>	<b>HB 4120 - 3</b>
<b>Revenue Area:</b>	<b>Transient Lodging Tax</b>
<b>Economist:</b>	<b>Mazen Malik</b>
<b>Date:</b>	<b>02-15-2018</b>
	<b>Revised</b>

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

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**Measure Description:**

Expands definition of "transient lodging intermediary" to include person that collects consideration for occupancy of transient lodging and person that receives fee or commission and requires transient lodging provider to use specified third-party entity to collect consideration for occupancy of transient lodging.

**Revenue Impact**

The revenue impact out of the increased enforcement is about \$0.5 to \$0.75 million a year for the state and about \$2.7 to \$4.0 million for local government tax collection.

**Impact Explanation:**

The definition changes in Section 1 of the bill clarifies that all intermediaries are subject to state and local lodging taxes. Some intermediaries considered that they are not subject to his 2013 clarification.

For intermediaries that don't collect/remit state lodging tax but are required to, the new language makes all the intermediary business models that currently exist in the industry, subject to the collection and remittance requirement. The definitional change is likely to reduce or even eliminate potential litigation about the issue.

Naturally the same applies to local governments, however, their specific ordinances play a role as well in who is required to collect, report, and remit. The bolstered subpoena and auditing authority is what local governments believe to be an effective tool in collecting taxes that are currently forgone.

**Creates, Extends, or Expands Tax Expenditure: Yes  No**