

FROM THE DESK OF REP.
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Restore Lodging Tax Equity-- Support HB 4120

Problem statement:

Lodging providers and lodging facilitators are not on even lodging tax playing fields due to ambiguities in the law and provisions that have not been updated since 2013.

Some facilitators are not remitting the tax in all communities. Instead, each home owner that uses the facilitator in those communities is left to pay the tax and file the paperwork with the city and county on their own. This is inefficient for all and has resulted in noncompliance and lost tax dollars.

In other communities, facilitators make lodging tax payments only pursuant to a "voluntary" agreement with the city or county. Such agreements treat the facilitator more favorably than other facilitators and lodging providers. The Oregon Restaurant and Lodging Association has asked cities and counties to reject such agreements and treat all providers and facilitators the same.

Solution:

The bill updates the definition of "transient lodging intermediary" and clarifies the process. It requires all business model types that facilitate the retail sale of rooms or homes for lodging to collect, file tax returns, and remit state and local lodging taxes. The basic tax policy in the bill continues provisions that passed in 2003 and 2013: the lodging tax paid by the customer is to be paid on the full price paid for the stay and whoever collects the money for the stay is to remit the tax payment to the city or county. This is the most efficient and fair process available.

Background:

HB 4120 was crafted after work group discussions during the 2017 session and interims with stakeholders including AOC, LOC, DOR, Airbnb and Expedia/VRBO.

With this bill and definitions cleared up, cities and counties may opt to have DOR collect all their local lodging taxes on their behalf as authorized by HB 2400 in the 2017 session. The state and local tax provisions would be synced up and make simultaneous state and local tax collections possible by intergovernmental agreement.



CITY OF BEND



Please support HB 4120. The present lodging tax definitions simply need an update to keep everyone on the same playing field. It is about tax fairness. The bill is obviously workable as intermediaries are paying taxes directly to some cities and counties already. Further delay means lost revenues for communities.