

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
80th Oregon Legislative Assembly  
2020 Regular Session  
Legislative Revenue Office

**Bill Number:** HB 4047  
**Revenue Area:** Transient Lodging Tax  
**Economist:** Mazen Malik  
**Date:** 02-18-2020

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

**Measure Description:**

Makes rate of state transient lodging tax as increased by Enrolled House Bill 4146 (2016) permanent.

**Revenue Impact (in \$Millions):**

	2019-21	2021-23	2023-25
Repeal the 0.3% sunset			
<b>Transient Lodging Tax</b>	<b>\$ 7.11</b>	<b>\$ 16.06</b>	<b>\$ 17.71</b>

**Impact Explanation:**

The 2016 session (HB 4146) increased the tax rate from 1% to 1.8% for the period extending from July 1, 2016 to July 1, 2020. On July 1, 2020, the rate is scheduled to go down to 1.5%. The higher rate of 1.8% generated an additional \$22.23 million in the 2015-17 biennium and \$35.26 million in the 2017-19 biennium. The 2016 law required that 20% of revenue collected from the transient lodging tax be spent implementing the regional cooperative tourism program and 10% be allocated to a competitive grant program to fund tourism-related facilities and events. The bill (HB 4146) also directed the Tourism Commission to base grant awards on demonstrated return on investment, geographic equity and community support.

For FY 2019 The State Transient Lodging Tax (TLT) collection reached \$41 million at the 1.8% rate, the 0.3% for that year would be \$6.8 million. However, the TLT collection on the base lodging activities has grown significantly in the last few years. The repeal of the sunset would be effective July-1-2020, thus the impacts for the 2019-2021 biennium is only for the fiscal year 2021.

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

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