
Finance Committee

HB 2954

Brief Description: Modifying lodging taxes.

Sponsors: Representatives Conway, Bush, Campbell and Kirby.

Brief Summary of Bill

- Changes the expiration date for certain special hotel-motel tax rates in excess of two percent from January 1, 1999, to January 31, 1999.

Hearing Date: 2/3/04

Staff: Bob Longman (786-7139).

Background:

State and local general sales taxes apply to lodging rentals by hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities. Hotel-motel taxes are selective sales taxes applying to lodging rentals. Hotel-motel taxes are imposed by the state, counties, cities, and towns, and are subject to complex statutory restrictions on rates and uses of revenue. Some hotel-motel taxes are credited against the state sales tax rather than being added to rental charges paid by customers. Other hotel-motel are imposed in addition to ordinary state and local sales taxes and are added to the amount paid by the customer. The latter type are often referred to as "special" hotel-motel taxes.

In 1998, legislation was enacted that limited the total rates of hotel-motel taxes imposed by counties, cities, and towns. Special hotel-motel taxes imposed in addition to ordinary state and local sales taxes were generally limited to two percent. Before the 1998 legislation took effect, some jurisdictions had statutory authorizations for special hotel-motel taxes in excess of two percent. These higher rate authorizations were preserved in the 1998 legislation. However, the 1998 legislation specified that the higher rate authorizations would expire if not imposed by January 1, 1999.

Summary of Bill:

The expiration date for certain special hotel-motel tax rates in excess of two percent is changed from January 1, 1999, to January 31, 1999. Administration provisions related to major state excise taxes are made expressly applicable to local hotel-motel taxes.

This bill applies retroactively to January 1, 1999.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.