

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 23, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB1247 by Harris (Relating to the imposition of the municipal hotel occupancy tax by certain eligible central municipalities.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Tax Code to add to the list of municipalities eligible as a central municipality that may impose a municipal hotel tax, by changing the minimum population to which Chapter 351, Tax Code, applies from 440,000 to 140,000. The bill would also amend the Tax Code regarding to which central municipality the municipal hotel tax rate limit of not more than 9 percent of the price paid for a room would apply. The bill would amend the Tax Code and the Government Code regarding use of the revenue derived from a municipal hotel occupancy tax.

Local Government Impact

A municipality that would become eligible to impose a municipal hotel tax would experience a revenue gain that would depend on the tax rate imposed, the number of hotels within the municipality, and the number of persons to occupy the hotel rooms annually.

Source Agencies:

LBB Staff: JOB, MN, DB