

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION
Revision 1

May 1, 2015

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3630 by Turner, Chris (Relating to the application of the hotel occupancy tax and the collection and administration of the tax by a municipality.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 156 of the Tax Code, regarding the state hotel occupancy tax, to define "short term rentals" as the rental of all or part of a residential property to a person who is not a permanent resident under Section 156.101. The change to the state hotel occupancy tax provisions would be a clarification of existing law and therefore would have no impact on state revenues.

Local Government Impact

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes, to allow a municipality to spend no more than one percent of hotel occupancy tax revenue for the creation, maintenance, operation, and administration of an electronic tax administration system. A municipality could contract with a third party to assist with an electronic tax administration system.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, AG