

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 28, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1300 by Springer (Relating to the collection and use of municipal hotel occupancy taxes.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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Local Government Impact

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes.

Under current law a municipality has discretion to allow a person who pays this municipal tax to retain up to one percent of that tax revenue as reimbursement for the cost of collecting the tax. In addition, municipalities are allowed to use up to one percent of the revenue collected from this tax to create, maintain, operate or administer an electronic tax administration system.

The bill would require a municipality that uses revenue from this tax for an electronic tax administration system to allow a person who pays this municipal tax to retain up to one percent of that tax revenue as reimbursement for the cost of collecting the tax. The bill would limit the amount of this municipal tax that can be spent on a tax administration system, in each year, to the lesser of one percent or \$75,000, and would prohibit a municipality from using revenue authorized for a tax administration system to conduct an audit.

The bill would take effect January 1, 2018.

Source Agencies: 304 Comptroller of Public Accounts

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