

# FISCAL NOTE

S.B. 237

SHORT TITLE: Taxation of Short-term Lodging

SPONSOR: Adams, J. S.

2013 GENERAL SESSION

## STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill may increase sales tax assessments by \$2.17 million in FY 2014 and \$2.32 million in FY 2015. Because of nexus issues, only a portion of the increased sales tax assessments may be collectible. The anticipated revenue increase is \$430,000 in FY 2014 and \$465,000 in FY 2015. Under current law, a portion of sales tax revenue is set aside for transportation and other purposes. The set-aside would be approximately \$182,000 in FY 2014 and \$197,000 in FY 2015 of the revenue generated by this bill.

### STATE BUDGET DETAIL TABLE

	FY 2013	FY 2014	FY 2015
Revenue:			
General Fund	\$0	\$268,000	\$268,000
General Fund, One-Time	\$0	(\$20,000)	\$0
Restricted Funds	\$0	\$182,000	\$197,000
Total Revenue	<u>\$0</u>	<u>\$430,000</u>	<u>\$465,000</u>
Expenditure	\$0	\$0	\$0
Net Impact, All Funds (Rev.-Exp.)	<u>\$0</u>	<u>\$430,000</u>	<u>\$465,000</u>
Net Impact, General/Education Funds	\$0	\$248,000	\$268,000

## LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Local taxing entities may see increased sales tax and transient room tax revenue of approximately \$412,000 in FY 2014 and \$441,000 in FY 2015 based upon assessments of \$2.06 million in FY 2014 and \$2.21 million in FY 2015.

## DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Depending on nexus, businesses may see increased sales tax assessments of up to \$4.2 million in FY 2014 and \$4.5 million in FY 2015, of which approximately \$842,000 in FY 2014 and \$906,000 in FY 2015 could be an actual increase in sales tax liability.

## PERFORMANCE NOTE (JR 4-2-404): Not Required