



Fiscal Note

H.B. 291

2023 General Session
Short Term Rental Amendments
by Musselman, C.



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$0	\$(7,500)	\$(7,500)

State Government

UCA 36-12-13(2)(c)

Revenues	FY 2023	FY 2024	FY 2025
Total Revenues	\$0	\$0	\$0

Enactment of this legislation likely will not materially impact state revenue. Enactment of this may bill impact state governments' sales tax and transient room tax revenues from short-term rentals that qualify for amnesty under this bill. Granting amnesty for past tax liability would reduce state revenues while incentivizing future compliance may increase state revenues. Overall impacts for the amnesty provisions in this bill are unknown, but could result in either an increase or decrease in tax revenue depending on the number of sellers who use the amnesty, amount of past tax liability amnestied, and future collections remitted that otherwise would not have been remitted.

Expenditures	FY 2023	FY 2024	FY 2025
General Fund, One-time	\$0	\$7,500	\$0
Total Expenditures	\$0	\$7,500	\$0

Enactment of this legislation could cost the Governor's Office of Economic Opportunity approximately \$7,500 one-time from the General Fund for administration of a Short-Term Rentals Municipal Pilot Program.

	FY 2023	FY 2024	FY 2025
Net All Funds	\$0	\$(7,500)	\$0

Local Government

UCA 36-12-13(2)(c)

Enactment of this bill may impact local government sales tax and transient room tax revenues from short-term rentals that qualify for amnesty under this bill. Granting amnesty for past tax liability may reduce local government revenues while incentivizing future compliance may increase local government revenues. Overall impacts for the amnesty provisions in this bill are unknown, but could result in either an increase or decrease in tax revenues depending on the number of sellers who use the amnesty, amount of past tax liability amnestied, and future collections remitted that otherwise would not have been.

This bill also allows municipalities that participate in the short-term rentals municipal pilot program to impose an additional 0.5% transient room tax rate. If all municipalities currently imposing the municipal transient room tax participate in the program and increased their rates by the additional 0.5% then this increased rate would generate approximately \$10.4 million annually in aggregate local government revenue.

Individuals & Businesses

UCA 36-12-13(2)(c)

This bill provides short-term rental sellers that are not currently remitting an opportunity to have past sales and transient room tax liability amounts amnestied. These amounts are due under current law, so this provision may lower sellers' tax liability. Impacts are unknown but will depend on how many sellers use the amnesty and the amount of past, unremitted liability amnestied.

This bill also allows municipalities that participate in the short-term rentals municipal pilot program to impose an additional 0.5% transient room tax rate. This would increase tax liability by an additional 0.5% of taxable charges in cities that raise their tax rate due to this bill. If all municipalities currently imposing the municipal transient room tax increased their rates by the additional 0.5%, this increased rate would increase taxpayers' liability annually by approximately \$10.4 million in aggregate.

Regulatory Impact

UCA 36-12-13(2)(d)

Enactment of this legislation could result in a small increase in the regulatory burden for Utah residents or businesses.

Performance Evaluation

JR1-4-601

This bill creates a new program or significantly expands an existing program. For a list of questions lawmakers might ask to improve accountability for the proposed program, please see:

<https://budget.utah.gov/newprogram>

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.