

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4766-02
Bill No.: Perfected SCS for SB 1210
Subject: Counties: Tourism Tax
Type: Original
Date: March 20, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development- Division of Tourism** assume no fiscal impact.

Officials of the **Department of Revenue** stated that they do not collect transient guest taxes, and assume that the Director of Revenue would not agree to collect the transient guest tax. Therefore, there would be no fiscal impact.

Oversight would note that should the Director of Revenue agree to collect the transient guest tax, the DOR would retain a 1% collection fee that would be deposited into the State's General Revenue Fund. The amount of tax collected in a given year would be unknown. The DOR would have cost associated with the collection of the tax, which is also unknown.

Oversight assumes this proposal is enabling legislation. Certain counties or cities would have no fiscal impact without voter approval. Should a city or county receive voter approval to impose the tax, which could not be less than a 2% and not more than an 8%, they would realize income from the tax that would be earmarked for the purpose of promoting tourism. County or City Collectors would have additional duties related with the administration and collection of the tax. Because this proposal does not mandate the imposition of the tax, fiscal impact will be shown as \$0

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small business of the hotel/motel, bed and breakfast, inns, campgrounds, or any docking facility

which rents slips to recreational boats which are used by transient guest for sleeping, that are located in certain counties or cities, could be expected to be fiscally impacted to the extent that they may incur additional administrative duties and cost associated with the collection of the tax.

DESCRIPTION

This act permits a transient guest tax to be levied on hotel room charges in the City of St. Joseph and in the unincorporated portions of Buchanan County. The tax must be approved by the voters of the jurisdiction and must be between two and eight percent. The city or county adopting the tax would designate an official to collect the tax, or could enter into an agreement with the Director of Revenue to collect the tax. If the Department of Revenue were to collect the tax, the Department would retain a 1% collection fee. The city or county could collect a late penalty of 1% and interest that would not exceed 2% per month on the unpaid tax. Thirty days after the last day of the quarter an unpaid tax would be delinquent.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Economic Development- Division of Tourism



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Acting Director
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