

# FISCAL NOTE

October 22, 2018

<b>Bill No:</b>	1511	<b>Printer's No:</b>	4253	<b>Sponsor:</b>	Quinn (R)
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### COST / (SAVINGS)

<b>Fund (s)</b>	<b>2018-19</b>	<b>2019-20</b>
General Fund	TBD	TBD
Tourism Promotion Fund	(\$7.1 million)	(\$21.8 million)

**SUMMARY:** This bill mandates that online booking agents and travel companies remit Hotel Occupancy Tax (HOT) at point of sale to the customer, and establishes the Tourism Promotion Fund.

**ANALYSIS:** HB 1511 requires online hotel-booking intermediaries to collect and remit HOT at their point of sale to customers who use their service. Currently, online travel companies collect and remit HOT on the rental rate they pay directly to the hotel, rather than the full rate the consumer pays after using the online booking service. This bill would require that they pay the tax on the full amount charged to the consumer. The bill mandates that all of the additional revenue collected be deposited into the Tourism Promotion Fund, which this bill establishes under the Department of Community and Economic Development for the purpose of attracting tourists to the Commonwealth.

HB 1511 will also lead to a modest increase in General Fund revenue, as the Department of Revenue (the Department) will be able to identify and collect other taxes (sales and use, income, etc) from these online intermediaries who will now be identified by the Department to collect HOT.

HB 1511 is effective 90 days after passage.

**FISCAL IMPACT:** HB 1511 would bring in additional revenue summarized in the table below:

	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
General Fund	TBD	TBD	TBD	TBD
Tourism Promotion Fund	\$ 7.1 million	\$21.8 million	\$23.1 million	\$24.3 million