Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

Part I: Measure Information

Bill Request #: 1524
Bill #: HB 546
Bill Subject/Title: AN ACT relating to the transient room tax.
Sponsor: Rep. Kevin Sinnette
Unit of Government: x City x County x Urban-County x Charter County x Consolidated Local x Government
Office(s) Impacted:
Requirement: x Mandatory Optional
Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Purpose and Mechanics

The purpose of this proposal is to limit the imposition of state and local transient room taxes to rentals of accommodations for thirty (30) days or less. The state-wide transient room tax (KRS 142.400) and the transient room taxes that are permissible under KRS 91A.390 currently exclude the rental or lease of an apartment supplied by an individual or business that regularly holds itself out as exclusively providing apartments. "Apartment" is defined as a room or set of rooms, in an apartment building, fitted especially with a kitchen and usually leased as a dwelling for a minimum period of thirty (30) days or more.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

To the extent that the local transient room taxes have been imposed on the rental of accommodations that extend beyond thirty days or that are not already exempt as apartment rentals, the taxing jurisdictions and the tourist and convention commissions funded with the transient room taxes will see a decrease in tax revenue for rentals past the thirty (30) day threshold. The impact of this proposal on any given jurisdiction will vary by location and is impossible to estimate with any degree of accuracy.

Data Source(s):					
Preparer: Charlotte T. Quarles	Reviewer:	JWN	Date:	3/2/16	