

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2016 REGULAR SESSION**

MEASURE

2016 BR NUMBER **1607**

SENATE BILL NUMBER **166**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to resources to support local tourism, recreation and economic development.**

SPONSOR **Senator Carpenter**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: _____

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2015-2016	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES				
NET EFFECT				

() indicates a decrease/negative

MEASURE'S PURPOSE: This proposal, if enacted, would allow every city or merged government (including counties) that has formed a tourist and convention commission or that is served by a tourist and convention commission pursuant to an interlocal agreement or other provision of law to levy a restaurant tax not to exceed 3% of the retail sales made by the restaurants doing business in that jurisdiction. The revenue generated is to be divided between the tourist and convention commission (25% minimum) and the taxing jurisdiction for capital construction, maintenance, and operation of infrastructure that supports tourism, recreation and economic development.

Any restaurant that is taxed both by the county and a city within the county may credit the city restaurant tax against the county restaurant tax.

Any restaurant that is subject to the restaurant tax is exempted from the local occupational tax in that same jurisdiction.

Currently, only 4th and 5th class cities may levy restaurant tax and 100% of the revenues are

turned over to the tourist and convention commission.

PROVISIONS/MECHANICS: KRS 91A.400 is amended to allow counties, urban-county governments, charter county governments, consolidated local governments, unified local governments or any city to levy a restaurant tax not to exceed 3% of the retail sales of the restaurant; requires the revenue from the tax to be split between the tourist and convention commission (25%) and the taxing jurisdiction; allows a restaurant to take a credit against the county restaurant tax for the city restaurant tax due; exempts restaurants from local occupational tax if subject to the restaurant tax.

FISCAL EXPLANATION: Because the proposal impacts only local governments, there is no state fiscal impact.

DATA SOURCE(S): _____

PREPARER: Charlotte T. Quarles **NOTE NUMBER:** 94 **REVIEW:** JRS **DATE:** 2/23/2016

LRC 2016-BR1607SB166