

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2018 REGULAR SESSION**

**MEASURE**

2018 BR NUMBER **1661**

**HOUSE** BILL NUMBER **351**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to sales and use tax.**

**SPONSOR** **Representative Shell**

**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**

<b>FISCAL ESTIMATES</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>		(\$7,100,000)	(\$7,300,000)	(\$7,300,000)
<b>EXPENDITURES</b>				
<b>NET EFFECT</b>		(\$7,100,000)	(\$7,300,000)	(\$7,300,000)

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** The purpose of this bill is to relieve a travel or accommodations intermediary from the responsibility of collecting sales tax on the rental of a room or rooms, lodgings, or accommodations to the general public when the travel or accommodations intermediary lists, or otherwise facilitates, brokers, coordinates, or arranges for the rental and receives payment from the general public.

**PROVISIONS/MECHANICS:** Section 1 amends KRS 139.010 to exclude travel or accommodations intermediaries from the definition of retailer for purposes of the sales tax.

Section 2 makes the Act effective August 1, 2018.

**FISCAL EXPLANATION:** Based upon current receipts, and assuming that Kentucky's online travel booking sales of accommodations grow at the same pace as that of the North American sales, then this proposal, if enacted will result in a negative impact to the General Fund in FY 2018-2019 of (\$7,100,000) and (\$7,300,000) in FY 2019-2020.

**DATA SOURCE(S):** **LRC staff, Department of Revenue,**

**<https://www.statista.com/outlook/262/109/online-travel-booking/united-states#>**

**PREPARER:** **Charlotte T. Quarles** **NOTE NUMBER:** **187** **REVIEW:** **JAB** **DATE:** **3/28/2018**

LRC 2018-BR1661-HB351