

HB 317

Marketplace Innkeepers – Lodging Tax Collection

Published March 5, 2021

Summary

House Bill 317 builds upon last year's Marketplace Facilitator legislation to improve the efficiency of collection of hotel/motel taxes. Other than its effective dates, HB 317 is identical to HB 448, which passed the House in 2020 but was not acted upon in the Senate. **ACCG supports this bill.**

Specifically, HB 317 does the following:

- **Defines “innkeeper”** – which is the entity required to collect and remit hotel/motel taxes – **to include Marketplace Innkeepers like online platforms Airbnb and VRBO** that facilitate lodging and accommodations transactions.
- Uses the same definition as last year's Marketplace Facilitator legislation (HB 276) that required collection of sales taxes by online platforms that facilitate at least \$100,000 in annual sales in Georgia.
- **Requires all innkeepers, including Marketplace Innkeepers, to collect the \$5 per night state transportation fee.** This fee currently applies only to traditional hotel/motel stays. This fee goes to the state for transportation purposes.
 - **Extended-stay rentals** (more than 30-days) **and campground stays are exempted from the \$5 fee.**
- **Requires Marketplace Innkeepers to collect and remit county and city hotel/motel taxes on behalf of their “host” property owners.**
- As with last year's Marketplace Facilitator legislation, **these are taxes that are currently owed** (by the host property owners) but often not being collected.
- Host property owners would be relieved of the responsibility of collecting and remitting hotel/motel taxes.
- Marketplace Innkeepers would not be liable for the tax where incorrect information has been provided by the host property owner; in that case, the host would be responsible for the error.

Discussion

- Based on the fiscal note for HB 448 from last session, this bill would collect **approximately \$30 million in annual statewide county and city hotel/motel taxes.**

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- Again, these are taxes currently owed but not being collected
- The fiscal note estimated **approximately \$12M-\$13M in state funds** from the \$5 transportation fee
- Marketplace Facilitators like Airbnb and VRBO already have systems in place to collect these taxes on behalf of their hosts:
 - Since April of 2020, they have been responsible for collecting sales taxes on these same transactions
 - Airbnb and VRBO collect and remit lodging taxes throughout the country, including most localities in Florida
- **More efficient collection of these taxes will increase economic development and tourism:** counties and cities are required to spend most hotel/motel tax revenue on tourism development and marketing of their localities (for example, through Chambers of Commerce).
- HB 317 will **create parity with traditional hotels and motels**, which are already collecting these taxes and fees.
- HB 317 will also **benefit short-term rental hosts, by removing from them the burden of collecting and paying these taxes** directly and shifting that obligation to the Marketplace Innkeeper.

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