

State Transient Lodging Tax

Legislative History

- HB 2267 (2003) - Established a state transient lodging tax imposed at rate of 1% on “consideration rendered” for transient lodging; required lodging provider to collect the tax.
- HB 2197 (2005) - Clarified vacation homes (and other lodging used for temporary human occupancy) are subject to state transient lodging tax.
- HB 2656 (2013) - Required transient lodging intermediary or lodging provider to collect transient lodging taxes - whichever collects payment for occupancy.
- HB 4146 (2016) - Increased rate to 1.8% from July 1, 2016 to June 30, 2020 and decreased rate to 1.5% beginning July 1, 2020.

Program Information

Program Start Date : January 1, 2004

Authority: ORS 320.300 to 320.340 and OAR 150-320.305,
150-320.308

Purpose: To provide funds for the promotion of Oregon's
tourism programs

Number of active taxpayers: Approximately 3,200

Annual tax revenue: \$17.8M in 2015

DOR administration budget: \$670,000 in 2015-17

State Lodging Tax Determination

- Tax is computed on total retail price paid for occupancy of transient lodging*, including all charges other than taxes.
- Tax is collected by transient lodging tax collector (provider or intermediary) that receives consideration rendered (payment).

*ORS 320.300 defines “transient lodging” as hotel, motel, inn dwelling units, houses, cabins, condominiums, apartment units or other dwelling units or portions of dwelling units, that are used for temporary human occupancy or spaces used for recreational vehicles or tents during periods of human occupancy.

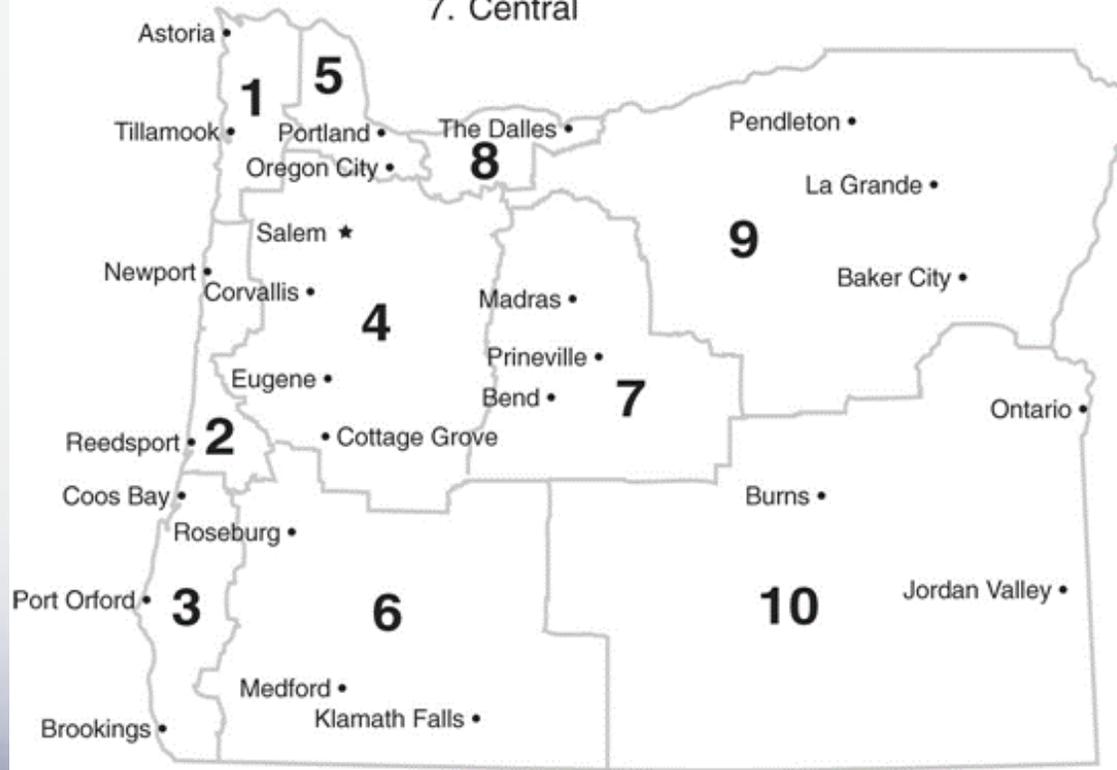
Exemptions:

- Used for temporary occupancy less than 30 days in a year
- Leased or occupied by same person for 30 consecutive days or more
- Facilities providing mental health treatment or drug or alcohol abuse treatment
- Hospital, health care facility, or long-term care facility
- Non-profit facilities used for the non-profit purpose and not rented to general public
- Funded by federal instrumentality to provide emergency or temporary shelter
- Federal employees on official business

Regions

OREGON'S TEN REGIONS

- | | | |
|------------------|----------------------|---------------------|
| 1. North Coast | 4. Willamette Valley | 8. Mt. Hood / Gorge |
| 2. Central Coast | 5. Portland Metro | 9. Northeastern |
| 3. South Coast | 6. Southern | 10. Southeastern |
| | 7. Central | |



Administration

Tax collected by lodging provider or transient lodging intermediary and held in trust for State of Oregon.

Reporting requirements:

- Quarterly reporting required
- Lodging receipts and tax reported by region
- Tax collector retains 5 percent of gross tax for administrative burden

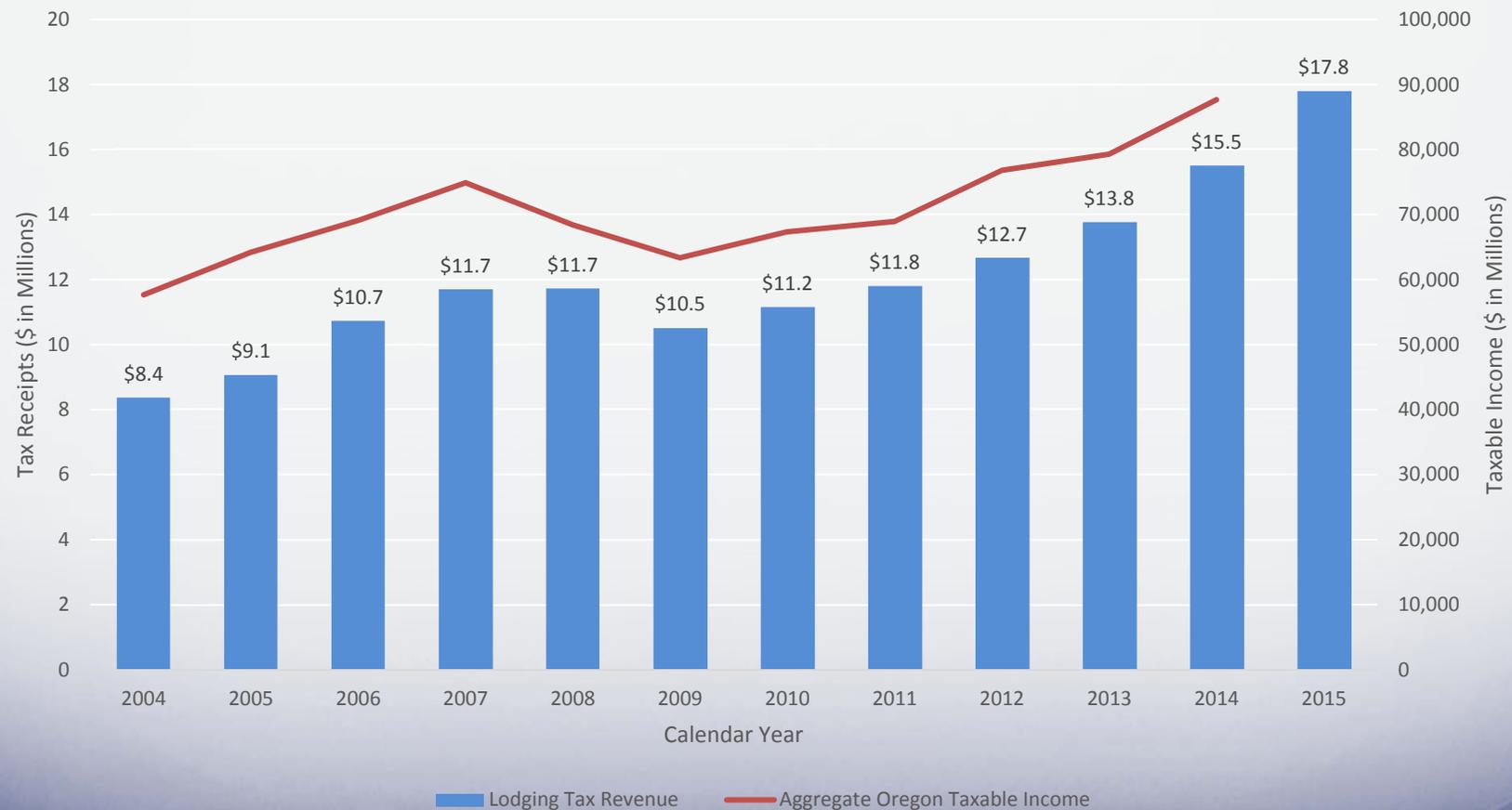
DOR reports and distributes revenues to Travel Oregon monthly.

Administration (cont'd.)

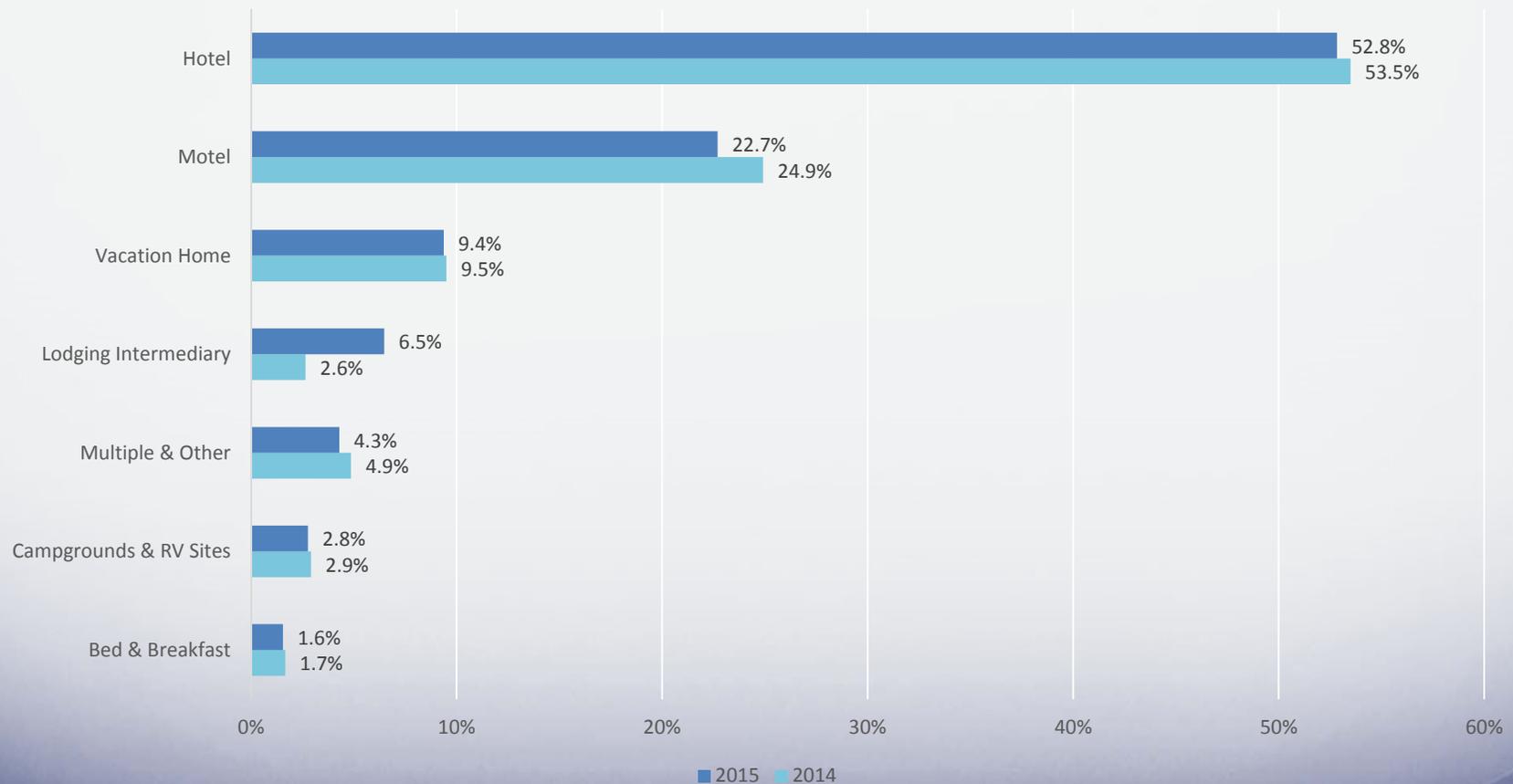
Challenges:

- Frequent changes in ownership
- Lack of awareness that state lodging tax is different from local lodging taxes
- Multiple owners for single facility
- Multisite issues stemming from the program being based on physical location
- Difficulty in determining tax collection responsibility
- Limited funding for program administration
- Prevented from sharing information with local taxing authorities

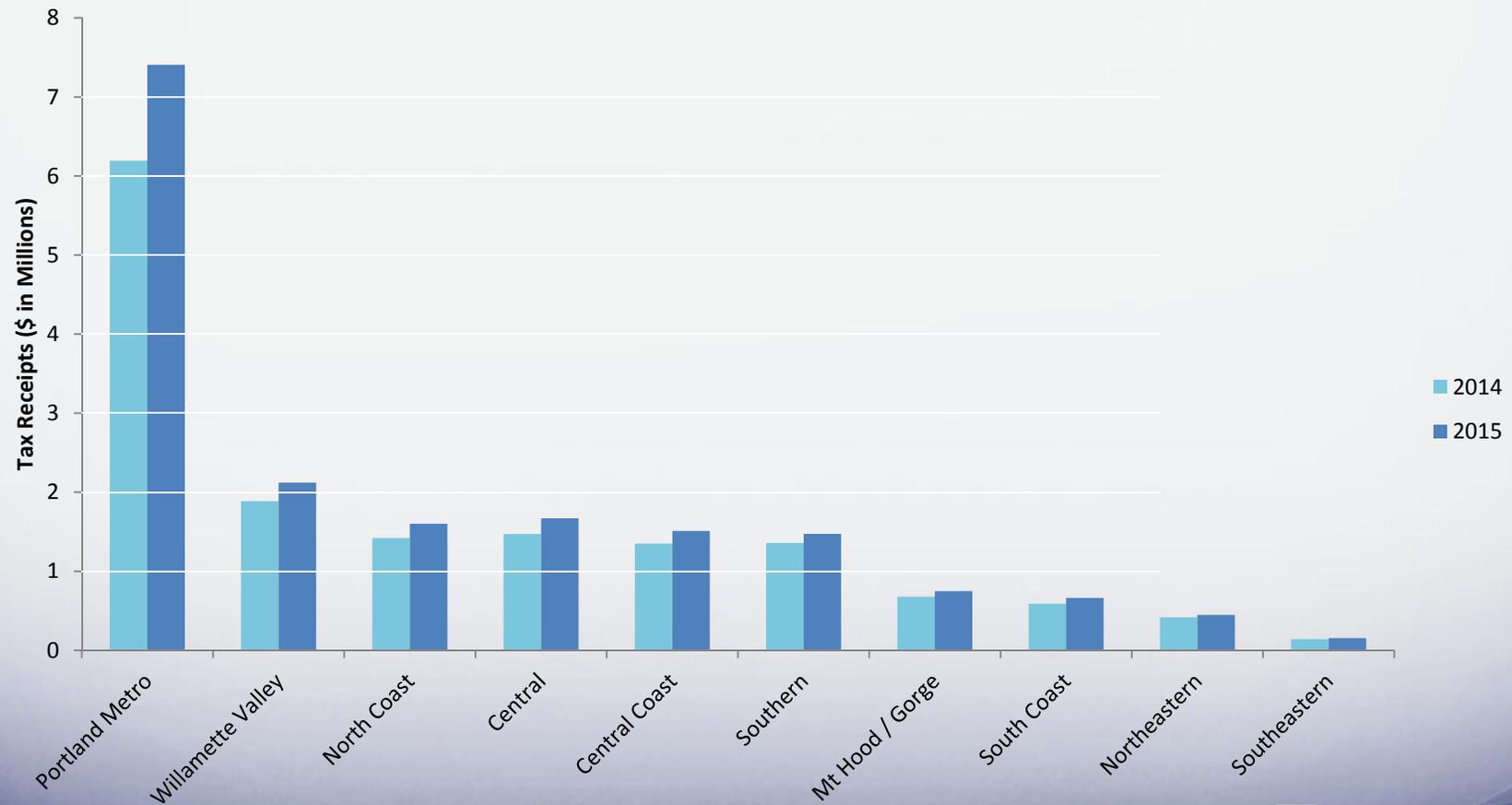
Lodging Tax Receipts by Year



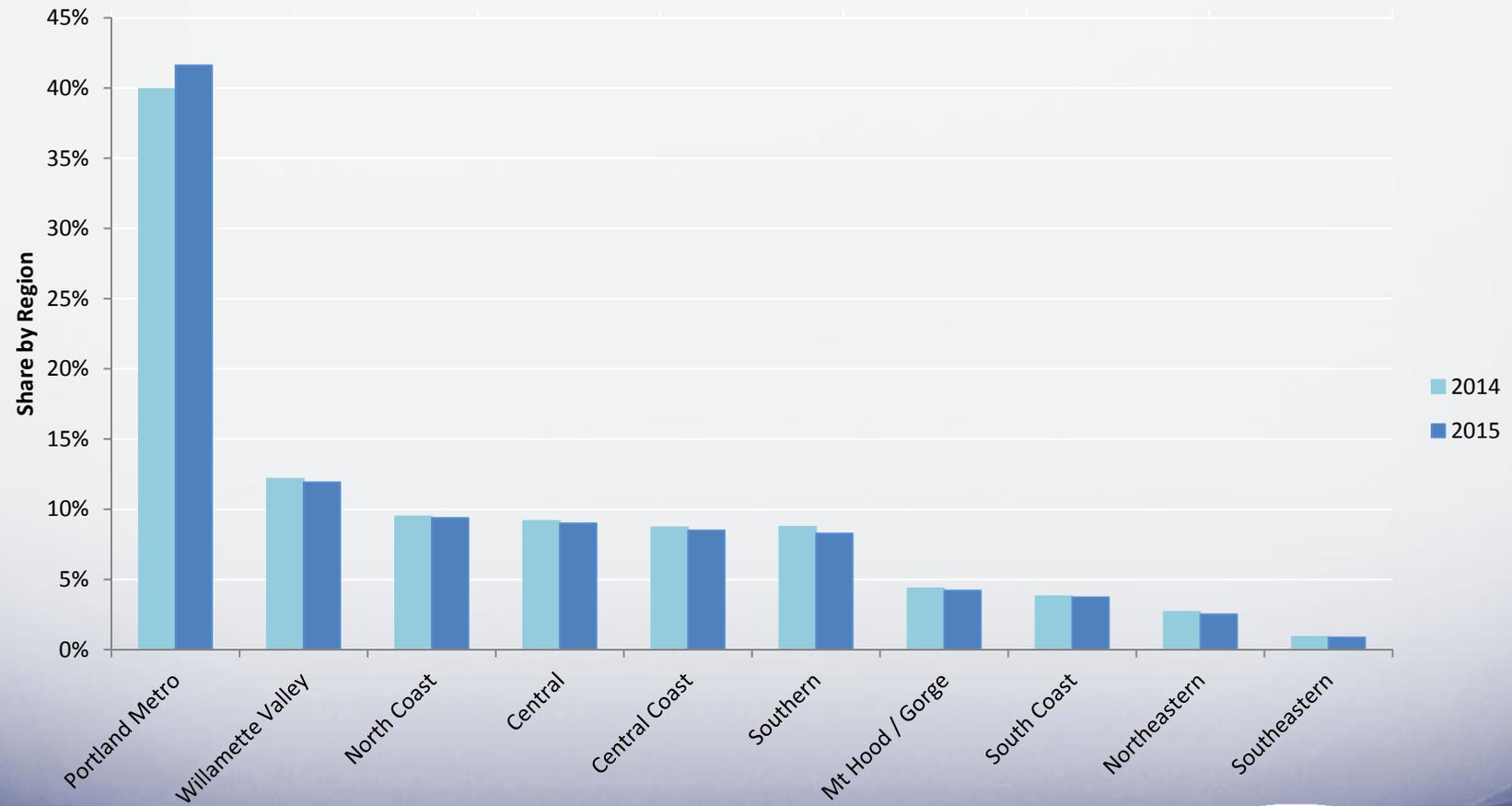
Share by Accommodation Type



Receipts by Region



Share by Region



For More Information

- www.oregon.gov/DOR/programs/businesses/Pages/lodging.aspx
- <http://www.oregon.gov/DOR/programs/gov-research/Pages/research-lodging.aspx>

If you have additional questions after today please contact:

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