

# HB 3180: Transient Lodging Tax Data sharing.

an example of state and local government collaboration

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## Background

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This bill is one of the outcomes of a lodging tax work group that met several times in 2016 to review a variety of lodging tax topics in the interim. The work group was created following the legislature's decision to increase the state transient lodging tax in the 2016 session. The work group's focus was the state lodging tax, but as you know, many local governments also have a *local* lodging tax.

## Current situation

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Under current law, the state Department of Revenue can already share with local governments information that is related to income taxation and information that is protected by IRS standards. But the Department of Revenue is prohibited from sharing data about the collection of lodging taxes. So why would the state and local governments want to share data with each other? To ensure tax compliance. The work group recognized that structural changes within the lodging industry, such as the involvement of intermediaries and vacation home rentals, can complicate the ability of state and local governments to ensure compliance with the transient lodging tax laws. Some lodging providers, we heard, are likely including a charge for only the *local* tax, and some are including a charge for only the *state* tax.

## The Recommendations

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To improve the information available to both state and local governments, the work group recommended that the Department of Revenue be granted statutory authority to enter into information sharing agreements with local governments concerning transient lodging taxpayers.

The bottom line is this: our statutes presently make lodging tax information confidential and thus our statutes do not allow the state to share tax information with local governments, so this bill fixes that, and says the state can share this information as long as it for listed reasons and the confidential information continues to be protected (for example, social security numbers).

In addition, the bill provides that DOR can request information from local governments to improve the state's collections.

There are no policy changes in this bill; this is only about sharing information about the tax that is collected.

The real experts are here to explain the situation, and the mechanics of the bill. Thank you.