

Subject Clarifying the tax base for local lodging taxes

Authors Carlson, A.

Analyst Pat Dalton

Date February 28, 2020

Overview

Clarifies that local lodging taxes apply to the entire price charged to consumers by online room providers such as Travelocity, Kayak, etc. Allows local governments who collect their own tax the option of limiting filing requirements for online room providers to once a year.

Summary

Section	Description
---------	-------------

1	Authorization.
---	-----------------------

States that local lodging taxes apply to the whole price of lodging including services provided by accommodation intermediaries. "Accommodation intermediaries" are online lodging and travel providers who resell rooms. This conforms to the definition used for the state sales tax and for local lodging taxes currently collected by the state.

The effective date is the day after final enactment, but the effective date states that the change is meant as a clarification of existing law.

2	Collection.
---	--------------------

Allows any local government that collects its own lodging tax (rather than paying the state to collect it) to choose to limit the required filing and remittance of the tax by accommodation intermediaries to once a year. The collection date must coincide with one of the monthly filing dates for state taxes. The local government is also responsible for providing these intermediaries with the geographic and zip code information needed to correctly apply the tax.

Effective the day after final enactment.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155