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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/13

SPONSOR Wirth LAST UPDATED _____ HB _____

SHORT TITLE Lodger's Tax Act Definitions and Imposition SB 102

ANALYST Smith

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY13	FY14	FY15	FY16	FY17		
Positive					Recurring	Municipal Governments

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Municipal League (NMML)

SUMMARY

Synopsis of Bill

Senate Bill 102 amends 3-38-14, NMSA 1978 to provide more inclusive definition of the term "lodging" for tax collection purposes.

FISCAL IMPLICATIONS

The lodgers tax is administered at the local level. Analysts have no access to tax data.

SIGNIFICANT ISSUES

The bill changes the definition of lodging in the act to include transactions that include charging rent or a fee for: a license that allows a vendee to occupy rooms or other accommodations at a taxable premises; arranging for a vendee's occupancy of rooms or other accommodations by a vendor at a taxable premises; establishing the total rent a vendee will pay to a vendor for rooms or other accommodations at a taxable premises; or collecting the rent payments from the vendee. Under the law, vendors are responsible for paying the tax to the municipality or county.

The bill would also change the definition of vendor to include any person or agent who furnishes lodging, offers a license that allows a vendee to occupy lodgings; arranges for a vendee's occupancy of lodgings; establishes the total rent a vendee will pay for lodgings; or collects the rent payments from the vendee.

Does the bill meet the Legislative Finance Committee tax policy principles?

- 1. Adequacy:** Revenue should be adequate to fund needed government services.
- 2. Efficiency:** Tax base should be as broad as possible and avoid excess reliance on one tax.
- 3. Equity:** Different taxpayers should be treated fairly.
- 4. Simplicity:** Collection should be simple and easily understood.
- 5. Accountability:** Preferences should be easy to monitor and evaluate

SS/svb