

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5158-01
Bill No.: HB 1485
Subject: Taxation and Revenue - Sales and Use, Tourism, Political Subdivisions
Type: Original
Date: January 4, 2018

Bill Summary: This proposal would authorize the City of Archie to propose a local tourism tax.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration Division of Budget and Planning** assume this provision will allow the cities of Archie and Lake Winnebago to submit a hotel room tax to a popular vote. As the provision is subject to popular vote, it will not impact 18e or Total State Revenue. However, if DOR charges a collection fee, those funds will be deposited into General Revenue and will increase Total State Revenue by an unknown amount.

Officials at the **Department of Economic Development** and the **Department of Revenue** each assume there is no fiscal impact from this proposal.

Officials at the **City of Archie** state they do not have any data to allow them to calculate the amount of revenue this could generate should it pass.

In response to a similar proposal from 2017 (HB 899), officials from the **City of Archie** advised us there are not currently any hotels or motels, or any other type of business in their city which would be subject to this proposed tax.

Oversight assumes this proposal would have no fiscal impact until and unless there is a taxable base and local officials submit a proposed tax to the voters.

Officials from **Cass County** did not respond to Oversight's request for information.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION


This bill adds the City of Archie and the City of Winnebago Falls to the list of cities and counties that may impose, upon voter approval, a transient guest tax of between 2% and 5% per occupied room per night for the promotion of tourism.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of Archie
Department of Economic Development
Department of Revenue
Office of Administration
Division of Budget and Planning

Ross Strope



Acting Director
January 4, 2018