

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5286-01
Bill No.: Perfected SB 1101
Subject: Municipalities: Transient Guest Tax, Schools
Type: Original
Date: March 29, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** stated there would be no fiscal impact to their department.

Officials of the **City of Sullivan** did not respond.

Oversight assumes the City of Sullivan would have administration costs of collection of the tax, and auditing the businesses affected by this tax.

Oversight assumes that the city would collect an unknown amount of revenue generated by the guest tax and would have costs related to operation of a tourism district. **Oversight** assumes that the annual revenue generated would either equal the costs or there would be a positive fund balance. **Oversight** for the purposes of this fiscal note will show costs equaling income.

Oversight assumes this proposal is permissive and would require voter approval before the tax would be levied. **Oversight** assumes no state or local fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**CITY OF SULLIVAN TOURISM
 DISTRICT FUND**

<u>Income</u> to Tourism District Fund from voter approved guest tax.	Unknown	Unknown	Unknown
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<u>Cost</u> to Tourism District Fund from administration costs, and promoting tourism in the city.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO CITY OF SULLIVAN TOURISM DISTRICT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small businesses in the hotel, motel, bed and breakfast inns, docking facilities which rent slips for purposes of sleeping or overnight docking, and campgrounds would have costs related to collection of and accounting for the tax.

DESCRIPTION

This act allows the City of Sullivan to levy a transient guest tax within its city limits and within that portion of the Sullivan C-2 School District located in Franklin County. The tax would be on charges for sleeping rooms paid by guests of hotels, motels, bed and breakfast inns and campgrounds or docking facilities. The proposed tax must be submitted to the voters and shall not be less than two percent or greater than five percent per occupied room per night

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

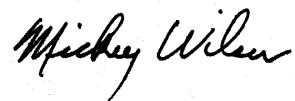
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SOURCES OF INFORMATION

Department of Revenue

NOT RESPONDING

Officials of the **City of Sullivan** did not respond.



Mickey Wilson, CPA
Director
March 29, 2006