DEPARTMENT OF TAXATION
2008 Fiscal Impact Statement

1. Patron William K. Barlow

2. Bill Number HB 1350

House of Origin:
X **Introduced**
____ **Substitute**
____ **Engrossed**

3. Committee House Finance

4. Title Charter; City of Williamsburg.

Second House:
____ **In Committee**
____ **Substitute**
____ **Enrolled**

5. Summary/Purpose:

This bill would remove the definition of transient lodging, lodging for not more than 30 consecutive days, from the charter for the City of Williamsburg and would allow the City of Williamsburg to impose the tax on transient lodging for 90 days.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Not available. (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenue. As this bill would allow the City of Williamsburg to impose the tax on transient lodging for 90 days, local revenues would increase.

9. Specific agency or political subdivisions affected:

City of Williamsburg

10. Technical amendment necessary: No.

11. Other comments:

Current Law

Any chartered city or town having general taxing powers established by charter may impose excise taxes on cigarettes, admissions, transient room rentals, meals, and travel campgrounds. The excise tax on transient room rentals does not have limitations on the rate of the tax nor the stay duration that qualifies as a transient lodging.

Under the Charter for the City of Williamsburg, the City may levy and collect taxes on the purchase of transient lodging to be added to or collected with the price of such lodging with transient lodging defined as lodging for not more than 30 consecutive days. However, the City Code defines transient as any person who, for a period of not more than 90 consecutive days obtains lodging at any hotel.

The City of Williamsburg imposes a transient occupancy tax and a room rental tax. The transient occupancy tax is imposed at a rate of $2 per room per night with the revenues directed to promote tourism in the Historic Triangle area. The room rental tax is imposed at a rate of 5 percent of the total amount paid for lodging.

Proposal

This bill would remove the definition of transient lodging, lodging for not more than 30 consecutive days, from the charter for the City of Williamsburg.

Similar Legislation

Senate Bill 603 is identical to this bill.

cc : Secretary of Finance

Date: 1/26/2008 jkl
HB1350F161