

## **BILL ANALYSIS**

Senate Research Center  
79R1385 KLA-D

S.B. 1571  
By: Williams  
Finance  
3/30/2005  
As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, businesses and individuals who occupy a hotel room for 30 or more consecutive days are considered permanent residents and are exempt from the state hotel occupancy tax of six percent. The state forfeits \$6.4 million in general revenue per year as a result of this tax exemption.

As proposed, S.B. 1571 eliminates the permanent residency exception to the hotel occupancy tax. This bill is a Legislative Budget Board performance recommendation and its savings of \$13 million in the 2006-2007 biennium are assumed in S.B. 1.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Repealer: Sections 156.101 (Exception--Permanent Resident), 351.002(c) (relating to hotel occupancy tax exemptions for permanent residents), and 352.002(c) (relating to hotel occupancy tax exemptions for permanent residents), Tax Code.

SECTION 2. Effective date: September 1, 2005.