



November 8, 2024

The Honorable Julie Emerson, Chair
Ways and Means Committee
Louisiana House of Representatives
900 North 3rd Street
Baton Rouge, LA 70804

The Honorable Ken Brass, Vice Chair
Ways and Means Committee
Louisiana House of Representatives
900 North 3rd Street
Baton Rouge, LA 70804

RE: Amend HB 8, 9, and 10

Dear Representative Emerson, Representative Brass, and members of the committee:

On behalf of Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to urge you to amend certain provisions of HB 8, 9, and 10 related to short-term rentals in order to clarify the tax obligations and avoid undue burdens on consumers and hosts.

We recommend that HB 8 be amended to exclude facilitator fees charged by accommodations intermediaries from sales of services in order to avoid double taxation. Under HB 9, facilitator fees charged by accommodation intermediaries would be considered part of the sales price subject to state and local sales and use tax. The current draft of HB 8's definitions of "information services", "prewritten computer access services", "digital products", and "computer software" may sweep in facilitator fees, resulting in facilitator fees being taxed twice.

Double taxation of these fees risks raising the price of short-term rentals unnecessarily, hurting consumers looking for accommodations and hosts trying to earn extra income to keep up with the rising cost of living. Most hosts do not fall into the category of traditional property investors or conglomerates.¹ Instead, they are individuals residing in their primary homes, seeking to diversify their income streams to meet financial needs. By making space in their residences available, homeowners can augment their earnings to cope with escalating mortgage payments.

We also recommend that HB 9 and HB 10 be amended to treat accommodations intermediaries like other marketplace facilitators and allow them to file with the Commission for Remote Sellers. The current drafts of HB 9 and 10 would require

¹ <https://www.sec.gov/Archives/edgar/data/1559720/000119312520294801/d81668ds1.htm#toc>

accommodations intermediaries, including short-term rental platforms, to collect and file sales and use taxes at the state and local level for all stays in Louisiana. Given the number of local jurisdictions and variation of tax requirements among them, this requirement would create complicated compliance challenges.

In response, short-term rental platforms could be forced to restrict access to hosts and consumers in Louisiana, risking economic opportunities for residents across the state. Guests who opt for short-term rentals contribute to local economies by patronizing nearby shops and restaurants. According to survey data, 92% of hosts provided recommendations for local restaurants and cafes, and guests reported that 41% of their overall trip spending occurred in the neighborhoods they stayed in.² Short-term rentals offer visitors the opportunity to experience more of the city and its small businesses than other lodging options, which tend to be concentrated around tourist attractions and downtown areas.

Louisiana has already allowed other, similar online marketplaces and marketplace facilitators to simplify their tax collection obligations by filing with the Louisiana Sales and Use Tax Commission for Remote Sellers. We recommend that HB 9 and HB 10 be amended to allow accommodations intermediaries to file with the Commission rather than each individual jurisdiction.

We urge you to make these changes in order to protect economic opportunities for Louisiana residents and small businesses and keep prices down for consumers.

Thank you,

A handwritten signature in black ink, appearing to read "K. C. Marshall", enclosed within a hand-drawn oval shape.

Kouri Marshall
Director of State & Local Government Relations, Central US
Chamber of Progress

² <https://news.airbnb.com/airbnb-estimated-direct-economic-impact-in-the-u-s-nears-34-billion/>