

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

19-0519

HB 274, *relative to the payment of the meals and rooms tax by individuals renting cars through an online service.*

House Ways & Means

The proposed legislation clarifies the applicability of the Meals and Rooms (M&R) Tax to motor vehicle rentals facilitated by an “online enabled technology application service, website, or system.” It takes effect 60 days after its passage and the Department assumes it could administer the proposed legislation without any costs that could not be absorbed into its operating budget.

The M&R Tax applies to all motor vehicle rentals, whether rented directly from the owner or through a third-party agent. However, to the extent operators exist which do not currently collect and remit the M&R Tax with respect to motor vehicle rentals facilitated by third-party agents, such as an “online enabled technology application service, website, or system,” the proposed legislation provides additional clarity that may result in an indeterminable increase in revenues. But the amount cannot be quantified or determined.

Please note, the proposed legislation does not address who must collect and remit the M&R Tax in the case of a motor vehicle rental facilitated by an “online enabled technology application service, website, or system,” the owner or the administrator/facilitator (both being operators within the meaning of RSA 78-A:3, IV). It also seems to narrow the definition of “gross rental receipts” by use of the first “or.”

Lastly, the effective date (or a new applicability date) should fall on the first day of a month, because the M&R Tax is collected and remitted on a monthly basis. The current effective date of 60 days after passage would likely occur in the middle of a month and cause difficulties with respect to administration and compliance.