

# New Hampshire Department of Revenue Administration

## Fiscal Note Quick Guide

19-0795

**HB 653**, *relative to the payment of the meals and rooms tax for short-term rentals.*

House Ways & Means

Section 1 of the proposed legislation clarifies that a person collecting rent on behalf of an operator is also an “operator” within the meaning of the Meals and Rooms (Rentals) (“M&R”) Tax Law, RSA 78-A. Specifically, it clarifies that with respect to short-term rentals, the definition of “operator” includes “the business collecting the rent which is acting on behalf of an operator and receiving rent paid through a short-term rental home sharing Internet sit or application.”

Section 2 of the proposed legislation requires the operator collecting the rent through an Internet site or application to collect and remit the M&R Tax.

The proposed legislation takes effect July 1, 2019.

The proposed legislation clarifies the existing M&R Tax Law with respect to Internet operators. It does not effectuate any substantive change. However, to the extent the proposed legislation’s additional clarity improves compliance, it will increase revenues.

The Department recommends replacing “business” in RSA 78-A:3, IV (on line 6) with “person,” which is defined in RSA 78-A:3, II. “Business” in this context possibly limits the term “person” in the previous sentence. The Department also recommends replacing “and” (also on line 6) with “including,” because any person collecting rent is an “operator” within the meaning of the M&R Tax Law, and not only an Internet site or application.

Lastly, the Department recommends removing “primarily” in RSA 78-A:4-a, II (on line 14), because it may imply that the operator collecting the rent is not entirely responsible.