

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

24-2799.0

HB 1635, *relative to the definition of short-term rental.*

Commerce and Consumer Affairs

“Short-term rental” to be applied to certain statutes governing housing authorities, room taxes and certain rental proceedings.

In this fiscal note, the DRA has limited its analysis to the sections of the proposed legislation that fall within the DRA’s purview, namely the definition of “short-term rental” under RSA 78-A:3, XXIII, in the Tax on Meals and Rooms statute.

The proposed legislation repeals and reenacts RSA 78-A:3 XXIII, the definition of “short-term rental”, to mean any individually or collectively owned single-family house or dwelling unit or any unit or group of units in a condominium, cooperative, or timeshare, or owner-occupied residential home, that is offered for a fee and for less than 30 consecutive days in a building that is otherwise used as a residence. Currently, the definition means the rental of one or more rooms in a residential unit for occupancy for tourist or transient use for less than 185 consecutive days.

DRA suggests adding the language “the rental for occupancy of” to the proposed new definition of “short-term rental” in RSA 78-A:3, XXIII to read as follows:

XXIII. “Short-term rental” means *the rental for occupancy of* any individually or collectively owned single-family house or dwelling unit or any unit or group of units in a condominium, cooperative, or timeshare, or owner-occupied residential home, that is offered for a fee and for less than 30 consecutive days in a building that is otherwise used as a residence.

The DRA believes that the proposed new definition of “short-term rental” in the Tax on Meals and Rooms statute is revenue neutral. The rental of occupancy for consecutive rental days between 30 days to less than 185 days would still be subject to the M&R tax.

The DRA would be responsible for updating all necessary tax return forms, rules, and electronic management systems related to this proposed legislation.

The proposed legislation would not result in any additional administrative costs that could not be absorbed in the DRA operating budget.

This proposed legislation shall take effect 60 days after its passage.