

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 471

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO SALES AND USE TAXES; AMENDING SECTION 63-1803, IDAHO CODE, TO RE-
2 VISE A DEFINITION; AMENDING SECTION 63-1804, IDAHO CODE, TO REVISE PRO-
3 VISIONS REGARDING TAXATION OF SHORT-TERM RENTAL MARKETPLACE TRANSAC-
4 TIONS AND TO MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY AND
5 PROVIDING RETROACTIVE APPLICATION.
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Section 63-1803, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 63-1803. DEFINITIONS. In this chapter:

11 (1) "Local government" means any governmental entity or agency, in-
12 cluding counties, municipalities, and taxing districts, but not the state of
13 Idaho and the agencies and departments of the state.

14 (2) "Lodging operator" means a person that rents a short-term rental or
15 vacation rental to an occupant using a short-term rental marketplace.

16 (3) "Lodging transaction" means a charge to an occupant by a lodging op-
17 erator for the occupancy of any short-term rental or vacation rental using a
18 short-term rental marketplace.

19 (4) "Short-term rental" or "vacation rental" means any individually
20 or collectively owned single-family house or dwelling unit ~~or~~; any unit or
21 group of units in a condominium, cooperative or timeshare, or owner-occupied
22 residential home; or a hotel, motel, campground, room, place for lodging
23 or accommodations, or any other place to sleep that is offered for a fee and
24 for thirty (30) days or less. Short-term rental or vacation rental does not
25 include a unit that is used for any retail, restaurant, banquet space, event
26 center or another similar use.

27 (5) "Short-term rental marketplace" means a person that provides a
28 platform through which a lodging operator, or the authorized agent of the
29 lodging operator, offers a short-term rental or vacation rental to an occu-
30 pant.

31 SECTION 2. That Section 63-1804, Idaho Code, be, and the same is hereby
32 amended to read as follows:

33 63-1804. LIMITING TAX DUTIES OF SHORT-TERM RENTAL MARKETPLACES --
34 COLLECTION OF TAX. (1) A local government may not levy a sales, use, fran-
35 chise, receipts, or other similar tax or fee on the business of operating a
36 short-term rental marketplace.

37 (2) A short-term rental marketplace shall register with the state
38 tax commission for collection, reporting, and payment of sales and use and
39 travel and convention taxes levied by this state and any applicable local
40 government taxes administered by the state tax commission on short-term

1 rentals and vacation rentals due from a lodging operator on any lodging
2 transaction facilitated by the short-term rental marketplace.

3 (3) A short-term rental marketplace shall collect, report, and pay
4 taxes imposed on the lodging operator or occupant of a short-term rental or
5 vacation rental by any local government.

6 (4) Any local government that has levied a tax pursuant to statutory au-
7 thorization, may contract with the state tax commission for the collection
8 and administration of such taxes in like manner and under definitions and
9 rules of the state tax commission for the collection and administration of
10 the state sales or use tax under chapter 36, title 63, Idaho Code. Alterna-
11 tively, such local government shall have authority to administer and collect
12 such tax. All revenues collected on behalf of the local governments by the
13 state tax commission pursuant to this chapter shall be distributed as fol-
14 lows: An amount of money shall be distributed to the state refund fund suffi-
15 cient to pay current refund claims. All refunds authorized by the commission
16 to be paid shall be paid through the state refund fund and those moneys are
17 continuously appropriated. The state tax commission may retain an amount
18 of money equal to such fee as may be agreed upon between the state tax com-
19 mission and such local government for the actual cost of the collection and
20 administration of the tax. The amount retained by the commission shall not
21 exceed the amount authorized to be expended by appropriation by the legis-
22 lature. Any unencumbered balance in excess of the actual cost at the end of
23 each fiscal year shall be distributed as provided in this section. All re-
24 maining moneys received pursuant to this chapter shall be placed in a fund
25 designated by the state controller and remitted monthly to the local govern-
26 ment levying such tax.

27 (5) Amounts collected as sales or use tax on short-term rental market-
28 place transactions pursuant to section 63-3619 or 63-3621, Idaho Code, shall
29 be distributed according to section 63-3638, Idaho Code.

30 (6) All transactions by short-term rental marketplaces, as defined in
31 section 63-1803, Idaho Code, shall be governed by the provisions of this
32 chapter. The provisions of sections 57-811, 63-3605E, 63-3611, 63-3620E,
33 and 63-3620F, Idaho Code, shall not apply to short-term rental marketplace
34 transactions under this chapter.

35 (7) A short-term rental marketplace that has not facilitated a lodging
36 transaction in Idaho shall have forty-five (45) days to comply with this sec-
37 tion upon completion of ~~their~~ its first lodging transaction in Idaho.

38 SECTION 3. An emergency existing therefor, which emergency is hereby
39 declared to exist, this act shall be in full force and effect on and after its
40 passage and approval, and retroactively to January 1, 2021.