

SUBJECT: Prohibiting the comptroller from posting hotel tax receipt data online

COMMITTEE: Ways and Means — committee substitute recommended

VOTE: 7 ayes — Hilderbran, Otto, Bohac, Button, Eiland, N. Gonzalez, Strama

0 nays

2 absent — Martinez Fischer, Ritter

WITNESSES: (*On introduced version*)

For — Roxana Gonzalez; Michelle Jones; Nayana Nancy Patel; Paul Patel; Vinod Patel; (*Registered; but did not testify*): Vinesh Desai; Harshad Patel; Kevin Patel; Paresh Patel; Prakash Patel; Pravinkumar Patel; Sonny Patel; Tarun Patel)

Against — Michael Amezquita, Bexar Appraisal District; Joseph Woller, Foundation Appraisers Coalition of Texas; Albert Love; Bruce Walker (*Registered, but did not testify*): Ashley Chadwick, Freedom of Information Foundation of Texas; Katherine Doggett, Integra Realty Resources Houston; David Englund, Austin Chapter of the Appraisal Institute; Seth Mitchell, Bexar County Commissioners Court; Jim Robinson, Texas Association of Appraisal Districts Legislative Committee; Steve Scurlock, Independent Bankers Association of Texas; Paul Hornsby; Todd Walker; Jay Weir)

On — Marya Crigler, Travis Central Appraisal District; Donald Dillard, Comptroller of Texas

BACKGROUND: Tax Code, ch. 156, imposes a 6 percent tax on hotel occupancy to be remitted to the comptroller along with a report stating the total amount of the payments made for rooms at the person's hotel, the amount of tax collected during the preceding reporting period, and other information the comptroller requires. The records submitted from hotels are public information and are available for viewing on the comptroller's website.

DIGEST: CSHB 3475 would prohibit the comptroller from publishing a report that revealed the gross or taxable receipts of a hotel that remitted hotel

occupancy taxes under Tax Code, ch. 156. The gross or taxable receipts data would be subject to laws governing public information. The comptroller would establish procedures to enable electronic exchange of information with another state agency upon request.

The bill would take effect September 1, 2013.

**SUPPORTERS  
SAY:**

CSHB 3475 would protect the privacy of hotel operators who remit hotel tax reports to the comptroller. Currently, the comptroller collects and assembles all hotel tax receipts and posts them in an online database, where they may be searched by location. The online database includes fields for taxpayer number, hotel name, address, capacity, receipts, and taxable receipts.

The bill would prohibit the comptroller from continuing to post the receipts online without interfering with appraisers and the public's ability to access the information through open records requests. The practice of posting the receipt data online is unfair to the hotels that file the reports, since similar data is not posted for entities that report other taxes to the state (e.g. franchise taxes, sales and use taxes). The only other tax report that comes close to divulging this level of information is the mixed beverage receipt tax, and that is still much more general than hotel taxes. There is no reason that the hotel industry's information should be singled out and made broadly available in such a detailed format.

**OPPONENTS  
SAY:**

CSHB 3475 could hamper the ability of appraisers and appraisal districts to reliably assess a property's market value. There are three main methods that appraisers use for commercial property, and one of these relies on the income of the establishment. Appraisers and appraisal districts routinely consult the hotel tax receipt information to determine how much those properties are generating from their operations. Restricting the availability of this information could hamper these efforts.