



## **Senate Bill 691**

### *Home Amenity Rentals – Sales and Use Tax Imposed and Local Tax Authorized*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

**WITH AMENDMENTS**

Date: March 9, 2023

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 691 WITH AMENDMENTS**. This bill requires “home amenity rental intermediaries” or “home amenity rental platforms” – facilitators that coordinate the sale or use of a home amenity between guests and hosts – to collect and remit specified state and local taxes. Counties suggest a simplifying amendment to merely subject these short-term amenity rentals to existing local taxes on hotels and similar short-term rental transactions.

From pools and sport courts to large backyards, home gyms, and music studios, home amenity rentals represent a growing industry closely resembling traditional hospitality industry transactions – much more so than serving as platforms where residents may rent out a room in their home for a few days a year. As such, these rentals should be subject to taxation.

The bill defines “home amenity” as any portion, whether indoors or outdoors, of a residential property, excluding bedrooms or any portion of the property intended for sleeping quarters, that is occupied by the hour and for not more than 15 hours consecutively. As introduced, this bill applies the state sales and use tax to home amenity rentals, but arbitrarily caps the rates counties may apply to the same transactions. MACo urges amendments to automatically subject these transactions to applicable local hotel taxes. SB 691, if amended to include applicable local hotel taxes, would establish fair and equitable tax treatment of home amenity rentals for both state and local taxation purposes.

Counties depend on local hotel rental taxes to fund essential public services. Applying this existing tax to home amenity rentals promotes fairness and helps support education, public safety, roadway maintenance, and other essential community services. For these reasons, MACo urges a **FAVORABLE WITH AMENDMENTS** report to establish fair and equitable tax treatment of home amenity rentals for both state and local taxation purposes.