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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

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Office

**H.B. 161**  
**136<sup>th</sup> General Assembly**

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. Bird and J. Thomas

Zachary P. Bowerman, Attorney

### SUMMARY

- Extends state and local sales and use taxes to short-term rental stays.
- Requires a subdivision to subject short-term rental stays to the subdivision's lodging taxes.
- Requires collection and remittance of the taxes by the operator of the short-term rental platform, if applicable.

### DETAILED ANALYSIS

#### Taxation of short-term rental property stays

Under continuing law, all transactions by which lodging at a hotel is furnished to transient guests are subject to state and local sales taxes. In addition to the sales tax, local governments, i.e., counties, municipalities, townships, convention facilities authorities (CFAs), and lake facilities authorities (LFAs), are permitted to levy a tax on such lodgings within the local jurisdiction. Continuing law defines a hotel as an establishment in which five or more rooms are used for the accommodation of transient guests, i.e., persons occupying sleeping accommodations for less than 30 consecutive days.<sup>1</sup> Under current law, counties, municipalities, and townships are authorized to expand the definition of hotel to include establishments with fewer than five rooms to their lodging tax. In all cases, the person required to collect and remit the tax is the operator of the accommodation.

The bill extends state and local sales and use taxes to stays at establishments that are advertised and used as sleeping accommodations for transient guests with four or fewer rooms,

<sup>1</sup> R.C. 5739.01(M) and (N).

whether in one or more structures (referred to in the bill as “short-term rental properties”).<sup>2</sup> The extension begins to apply on the first day of the first month beginning 30 days after the bill’s 90-day effective date.<sup>3</sup>

The bill also requires any subdivision currently levying a lodging tax or levying such a tax in the future to extend it to short-term rental properties. If voter approval was required to enact the original tax, the bill allows the subdivision to amend the enacting resolution without receiving further voter approval to effectuate the extension. All subdivisions with existing lodging taxes must enact this extension by the first day of the first month beginning 30 days after the bill’s 90-day effective date.<sup>4</sup>

For short-term rental stays that are purchased through a rental platform, i.e., a business that operates an application or website that connects owners of short-term rental properties to transient guests, the bill requires that the platform, instead of the rental’s owner, collect and remit lodging and sales and use taxes on amounts remitted for the stay.<sup>5</sup>

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## HISTORY

Action	Date
Introduced	03-12-25

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<sup>2</sup> R.C. 5739.01(B)(2), (YYY), and (ZZZ) and 5741.01(V).

<sup>3</sup> Section 3.

<sup>4</sup> R.C. 351.01, 351.021, 353.06, 5739.08, 5739.09, and 5739.091(A) and (B); Section 3.

<sup>5</sup> R.C. 5739.01(C) and 5739.091(C).