

Office of Developmental Disabilities Services

Feasibility study on I/DD Provider Lodging Tax

Lilia Teninty, Director

Office of Developmental Disabilities Services (ODDS)



Provider Lodging Tax

Budget note:

The Department of Human Services shall work with the intellectual and developmental disabilities (IDD) provider community and appropriate state and federal agencies to assess the feasibility, potential benefits, and potential drawbacks of a provider assessment, or transient lodging tax, on the provider organizations serving adults with IDD, with the goal of maximizing federal matching funds for IDD services and addressing the direct care workforce shortage. The Department shall report the results of its assessment to the Legislature by December 1, 2015.

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- In response to the budget note, ODDS worked with stakeholders, DOJ and expert consultants to develop a feasibility analysis:
 - ODDS requested research and review to be performed by DOJ, including DOJ Tax and Finance section.
 - ODDS and DOJ requested opinion from consulting firm Covington & Burling LLP .
 - ODDS held two stakeholder meetings to review progress and collect input.
- ODDS submitted feasibility analysis report and memo from Covington & Burling to the Legislature.

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Key components of the report, which address elements of a workable/legal program:

- A health care tax is not allowable under Medicaid for Home and Community Based provider settings.
- While it may be possible to include IDD providers in the transient lodging tax, structuring the law to meet federal requirements is complex.
- Changes, such as modifying the definition of temporary human occupancy, may affect the existing lodging industry in unforeseen ways.
- To ensure matching federal funds, laws may need to be clarified to indicate the tax is paid by the lodging provider and not passed on to individuals with I/DD who live in these settings.

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Intellectual/Developmental Disabilities Services:
<http://www.oregon.gov/DHS/dd/Pages/index.aspx>

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