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Proponent Testimony HB 571
Before the House Ways and Means Committee on June 19, 2018

Chairman Schaffer, Vice Chairman Scherer, Ranking Member Rogers and members of the House Ways and Means Committee, thank you for this opportunity to share the reasons behind our support of HB 571.

The Ohio Travel Association represents businesses who depend on a strong travel economy. Our businesses include attractions, museums, hotels, restaurants, ferryboats, marketing firms and dozens of other types of small and large businesses who are part of the travel economy chain.

First, let's clarify that this is not a new tax. The tax burden is already on consumers. This simply clarifies that online travel companies must remit taxes based on the cost of the room to consumers, the same as Ohio hotels. We believe that the taxes should be remitted to the proper jurisdiction, and that these dollars should stay in Ohio and in its communities. And here's why.

Lodging taxes are reinvested in local communities in the form of funding for convention and visitors bureaus. The work they do is not only important for driving additional visitation, meaning additional visitors and more hotel stays, but the travel promotion these organizations do are an important part of other economic development objectives as well.

A recent national study by Longwoods International looked at how the marketing done by visitors bureaus produce results above and beyond increased visitation. As part of their analysis, they looked at Ohio's Lake Erie Shores and Islands region. Researchers found that

people who had seen Lake Erie Shores and Islands marketing were 161% more likely to believe that region is a good place to start a business, and they were 169% more likely to view the area as a place to start a career. The lift in perception makes sense. Our state's convention and visitors bureaus help shape the perception of our communities, making them attractive for living, working and playing in Ohio.

Oxford Economics states, "The dividends of destination promotion extend far beyond visitor-related industries and include significant site relocations and new investments in unrelated sectors."

HB 571 levels out the playing field between out-of-state companies and Ohio's hotels who employ more than 35,000 Ohioans. It is NOT a new tax, but a way of enacting tax parity that is already being approved in more than 10 other states.

At the same time, it helps local communities reinvest in themselves.

Please support Ohio businesses and support HB 571. Thank you.