

Proponent Testimony – HB161

Chairman Hoops, Vice Chair Lorenz, Ranking Member Abdullahi and Development Committee Members,

Thank you for your time today. My name is Karen Raymore. I am the Executive Director of the Hocking Hills Tourism Association. I am here today to express our support for House Bill 161, specifically the collection and remittance of sales tax

HB161 creates parity in the taxation of transient lodging. Currently, Hocking County has more than 1600 short term rentals. We support short term rentals and they contribute significantly to the vacation experience travelers to the Hocking Hills enjoy. Hocking County's tourism industry is a primary economic driver for the county.

The current sales tax rules which do not require transient lodging properties of less than five units to collect and remit sales tax creates an unfair price advantage for our lodging industry. While many of our lodging businesses have more than five units and collect and remit sales tax, it is estimated that 35% of Hocking County lodging units fall in the less than 5 units sales tax exemption. Some owners are very creative and put each unit in its own LLC to avoid collecting and remitting sales tax. As a result of this lack of parity with respect to sales tax Hocking County is missing out on an estimated \$500,000 per year in revenue.

According to Airbnb there are more than 1000 short term rentals in each of Ohio's largest counties. In addition to every county with short term rentals missing out on sales tax revenue, the state of Ohio is missing out on the most revenue. This revenue would not come from a new tax. HB161 generates revenue for the state and counties without increasing or creating a new tax.

Our region benefits greatly from tourism generated by the natural attractions in the Hocking Hills. However, our county's emergency services and law enforcement incur additional costs when needed to respond to a visitor related situation. The additional sales tax revenue would help offset those costs.

Most importantly, transient lodging is a commercial activity, whether it is a hotel with 100 rooms or a single cabin in the woods. Taxation rules should apply to everyone equally.

Thank you for your consideration.