



To: House Finance Committee

From: Bobbie Singh-Allen, Executive Director

Re: Opposition to the New Tax on Travel Services in Substitute HB 59

Date: April 25, 2017

On behalf of the Independent Lodging Industry Association and our independent hotel members in Ohio, we respectfully urge you to oppose the new tax on travel services proposed in the State Budget (House Bill 59). Please do not place any new occupancy taxes on these services, which benefit many inns, B&B's, and hotels based in Ohio.

As you may know, independent lodging establishments benefit from the marketing services of both brick-and-mortar and online travel agencies. Their services help our members fill unused rooms while leveling the playing field for properties against the major hotel chains - which often have substantially larger marketing budgets than small, independent hotels.

As written, HB 59 will have a very harmful impact on Ohio's strong tourism industry and its many stakeholders. While it may be well intentioned, the proposed travel tax in the budget is shortsighted. Ultimately, we believe it will result in fewer room bookings, resulting in less tax revenue for the state.

We also fear that the new proposed tax on travel service fees will impact travel intermediaries' - from travel agents to wedding planners to tour operators - ability to promote Ohio tourism destinations at their current levels.

Please consider the harm that the new tax on travel services fees will have on Ohio's many independent hoteliers and remove it from HB 59.

About Us:

The Independent Lodging Industry Association (ILIA) is a national association with over 5,000 members nationwide. It was founded in 2010 by the California Lodging Industry Association (CLIA). CLIA was established 70 years ago by a group of independent hotel owners and operators. Over the past several decades, independent hotels, independently owned franchised hotels, and owners have been impacted by decisions being made out of the halls of State Capitols to Washington, D.C. Chain hotels have dominated the policy making process. ILIA will level the playing field and allow independent hotels a seat at the table. For more information, please contact me at: bobbie@independentlodging.org or 916-826-2075.