

## OH LA Testifies Before Senate on Tax Fairness for Bookings

Obtaining tax parity for hotels and other entities which book lodging stays by closing the loophole exploited by online travel companies that collect, but do not remit, the full amount of sales and lodging taxes they owe is important for our entire industry. [OH LA's Executive Director recently appeared before the Ohio Senate Finance Committee to urge their support](#) for language included in the House version of the state budget to do just that.

In recent years, at least 14 states have taken action to correct the tax remittance issue, which deprives state and local governments, and CVB destination marketing partners, from revenue generated by hotel stays. Pennsylvania became one of the most recent when it passed similar legislation in late 2018.

Pennsylvania has a very comparable number of hotels and rooms, according to industry data. In that state, closing the OTC loophole is estimated to bring in \$24 million dollars annually just from correct remittance of their 6 percent state lodging tax. With all Ohio markets having tax rates above that amount, and the largest markets having total tax rates at checkout of more than 17 percent, the financial impact in Ohio would be between twice and three times that of our neighbors to the east.

Online travel companies have been able to remit taxes at a lower rate than hotel and lodging properties for years, even when selling the same product at exactly the same price to consumers. This is because language in Ohio's codes was created prior to the age of online commerce and multiple marketing and distribution channels for hotels. Yet in 2003, the OTC's own internal communications called the loophole a "luxury" they would not be able to enjoy forever.

OH LA Executive Director reminded members of the Senate Finance Committee that while 16 years may not be "forever," with more states addressing the tax issue, our industry hopes Ohio will do the same this year.

## Tourism Legislative Day participants lobby for state marketing funds

Leaders from the hotel industry and the companies that support them joined other travel economy partners from around the state for the 2019 Ohio TourismWorks Legislative Day at Ohio's Statehouse on May 7. This year, the industry focused on the [critical need for funding for the state's destination marketing efforts through TourismOhio](#).

With the current five-year pilot program for funding expiring, the current budget bill will set the direction for the investment that Ohio makes in this economic development activity. With the proposed state appropriation remaining flat at \$10 million per year, Ohio has slipped to below 30th on the list of what states spend on their destination marketing efforts. The entities participating in Ohio TourismWorks made the case for an \$18 million annual spend, a doable and responsible target.

The Ohio Senate is currently deliberating the budget passed by the House of Representatives, with a June 30 deadline for both chambers to approve a final version.

## **Effort made for new tax to benefit Dayton Convention Center**

Dayton and Montgomery County officials are seeking permissive authority in the state budget bill, H.B. 166, for permission for a convention facilities authority to levy an additional lodging tax of up to 3 percent. Revenue would be used specifically for the Dayton Convention Center under the direction of a convention facilities authority, as permitted by Ohio Revised Code.

To allow a new tax, language would need to be included in the state budget legislation via amendment or during omnibus changes before June 30.

The tax is in part a result of a report of Dayton Convention Center Task Force Recommendations & Observations. The task force included representatives from local hotels. For a copy, email [info@ohla.org](mailto:info@ohla.org).

OHLA contacted every licensed hotel in Montgomery County to provide the opportunity for direct feedback about the possibility of an additional 3 percent in tax on lodging stays. Local hotel operators and managers were supportive of the measure.

At the request of officials and individuals representing the city and country efforts to secure the language permitting the new tax, OHLA has shared that feedback with legislative leaders and lawmakers working on budget amendments.

## **New Legislators Appointed in Ohio House**

Recent moves by members of the Ohio House of Representatives have led to a number of vacancies and appointments of these new members:

### **63rd House District (Trumbull County)**

The House Democratic caucus Friday announced Weathersfield Township Trustee Gil Blair as the choice to fill the seat vacated by former Rep. Glenn Holmes. The pick is expected to become final with a floor vote and swearing first week in June.

### **76th House District (Geauga and Portage counties)**

The House seated Republican Rep. Diane Grendell to fill the 76th House District seat vacated by former Rep. Sarah LaTourette. Rep. Grendell had served in the House from 1992-2000, was an 11th District Court of Appeals judge for 16 years and was a JAG officer in the Ohio Military Reserve.

## 77th House District (Fairfield County)

Jeff LeRe has been appointed as the Representative for the 77th District in the Ohio House of Representatives. He replaces Sen. Schaffer, who was recently appointed to the Senate. An appointment is also expected soon to succeed Steve Arndt. The Port Clinton Republican announced his retirement effective July 1.