



TO: Members of the Utah State Legislature

FROM: Bobbie Singh-Allen, Executive Director

RE: Support for American Legislative Exchange Council (ALEC) legislation: Travel Agent Tax Fairness Act

DATE: October 17, 2011

On behalf of the Independent Lodging Industry Association and its independent hotelier members, I respectfully urge you to **Support the Travel Agent Tax Fairness Act.**

Independent hotel owners rely on travel agents and online travel companies to help sell hotel rooms that would otherwise go unsold. Because they lack the marketing infrastructure of large hotel chains, independent hotel companies often find it helpful to partner with travel agents and online travel companies—particularly during slower travel seasons. In this way, owners of independent hotels can reach out-of-state visitors to Utah who might never hear of these properties but for the marketing reach of their online partners.

This, in turn, means that **proposals to raise taxes on travel agents and online travel companies threaten to cause disproportionate harm on the small business owners who operate independent hotels.** By making Utah more expensive to visit than the 48 other states that have not imposed such a tax, these proposals would act as a drag on economic recovery at the very time that Utah's economy is relying on tourism to help the state emerge from the recession.

This legislation establishes a sensible framework to eliminate confusion and controversy in the imposition of hotel occupancy taxes on services provided by travel agents and other travel intermediaries. The legislation clarifies that a service which helps travelers to research, compare, and book hotel reservations is not subject to those taxes that are imposed on hotel operators for the provision of a room. By clarifying that taxes imposed as a hotel tax or occupancy tax shall apply only to the amounts received by hotel operators, this legislation will promote continued growth in travel and tourism.

For the sake of Utah tourism and the small business owners who operate independent hotels in the state, I urge you to vote for this common-sense legislation to prevent discriminatory, burdensome taxes from being applied on online travel companies. With over 400 independent hotels throughout Utah, our industry relies on a strong partnership with our tourism allies. **Please Support the Travel Agent Tax Fairness Act.**

Thank you very much for your attention to this matter. If I can answer any questions about this bill or its impact on our membership, please do not hesitate to contact me.

Respectfully yours,

Bobbie Singh-Allen

Bobbie Singh-Allen
Executive Director

About Us:

The Independent Lodging Industry Association (ILIA) is a national association with nearly 3000 members nationwide. It was founded in 2010 by the California Lodging Industry Association (CLIA). CLIA was established 65 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 bsinghallen@clia.org or 916-826-2075.