



PRESS RELEASE

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ONLINE TRAVEL COMPANIES WIN SIGNIFICANT COURT VICTORIES IN OCCUPANCY TAX CASES IN PHILADELPHIA AND CHICAGO

Washington, D.C. – A Philadelphia court dismissed the City of Philadelphia's entire lawsuit against online travel companies including Travelocity, Priceline, Orbitz and Expedia. In throwing out the suit, the Court ruled that the case did not belong before the Court. The Court rejected the “sue first-ask questions later” approach advocated by class-action law firms and stated that "This court is not in the business of original tax collections, nor should it be."

In Chicago, the plaintiffs in another occupancy tax case recently suffered a major blow when a Cook County Judge threw out all of the claims against one of the defendants, and dismissed the plaintiffs' breach of contract claim against the others. The plaintiffs are now left with only one claim in their purported class action case.

“These dismissals show that a growing number of courts are not buying what the plaintiffs’ contingency fee lawyers are selling,” said Art Sackler, Executive Director of ITSA. “The courts are rejecting the tactic of quickly filing lawsuits without first following administrative procedures for determining tax liability.”

The online travel companies are good corporate citizens who use the power of the Internet to give travelers more choices and bring millions of dollars in additional tourism revenue to cities everywhere. These rulings are not just a win for the online travel companies, they are also a victory for the millions of travelers who use the Internet to find and book their travel reservations.

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The Interactive Travel Services Association (ITSA) is the association for the nation’s online travel merchants and global distribution systems. Among its members or their subsidiaries are: CheapTickets, Expedia.com, Hotels.com, Hotwire.com, Orbitz, Priceline.com, and Travelocity. A full membership list can be found on ITSA’s website, www.interactivetravel.org.