

# CT OCCUPANCY TAX AND ROLE OF LODGING

**OPPOSE OCCUPANCY TAX INCREASES:** Increasing occupancy tax is often proposed as a way to increase tax revenue from out of state visitors without considering the affects on lodging businesses, loss of consumers and state revenue.

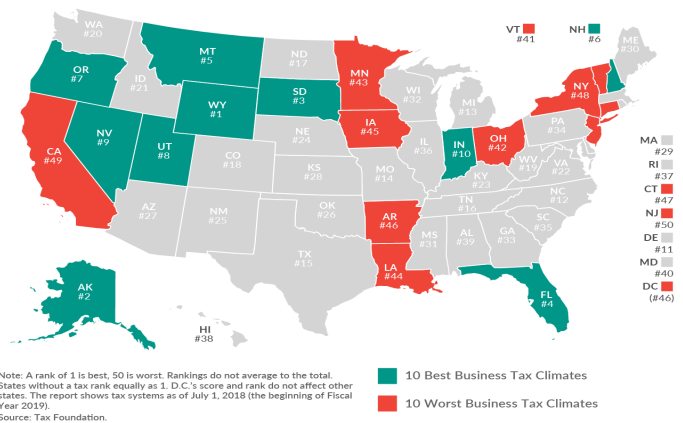
- Connecticut's hotel tax, known as occupancy tax, is the **highest statewide hotel tax in the nation**.
- If the hotel tax is raised even higher, tourism will plateau at the consumer's pain and CT **will see a significant decline in occupancy**, and ultimately decline in occupancy tax revenues.
- **Conventions will choose states with lower taxes** to save on overall costs. A 2% increase could mean \$1,000's in extra conventions costs. All neighboring states have lower taxes, CT will lose regional meetings.
- Connecticut has been known as a drive-through state. Raising occupancy taxes only threatens CT to **lose visitors to less expensive neighboring states**.

⇒ **CT #47 WORST BUSINESS TAX CLIMATE**

⇒ **COLLECTIVE HOTEL TAXES: NEW ENGLAND**

- CT – 15% (highest state hotel tax in the nation)
- NY (NYC) – 14.75%
- MA (Boston) – 14.15%
- RI – 12%
- VT – 9%
- ME – 9%
- NH – 9%

2019 State Business Tax Climate Index



Source: National Conf. of State Legislatures, [ncsl.org](https://www.ncsl.org)

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⇒ **LODGING INVESTMENTS IN CONNECTICUT:** Hotels owners make significant on-going capital investments in building and maintaining of lodging industry across the state. Raising hotel tax only deters new builds and stumps market growth.

- CLA estimates over 40 new hotels are now proposed, or in Connecticut's pipeline build.
- "The year 2020 looks to be a big one for U.S. hotel openings, according to pipeline data from STR, which shows 34% of rooms in planning, final planning or construction are projected to come online that year."

Source: STR, [hotelnewsnow.com](https://www.hotelnewsnow.com)

⇒ **AHLA - TOTAL HOTEL INDUSTRY IMPACT IN CONNECTICUT:** Includes direct and indirect impacts.



BUSINESS SALES IN CT (OUTPUT)

**\$11 billion**

WAGES AND SALARIES IN CT

**\$3 billion**

EMPLOYMENT IN CT (NUMBER OF JOBS)

**55,688**

GROSS DOMESTIC PRODUCT IN CT

**\$5 billion**

TOTAL TAXES IN CT

**\$2 billion**

CT STATE AND LOCAL TAXES

**\$982 million**

TAXES ON LODGING IN CT

**\$142 million**

FEDERAL TAXES IN CT

**\$810 million**



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Always Room for More!