



**WRITTEN TESTIMONY TO THE HOUSE WAYS AND MEANS COMMITTEE
PROPONENT TESTIMONY (written only)
OHIO MUNICIPAL LEAGUE & OHIO TOWNSHIP ASSOCIATION
HB 571
JUNE 17, 2018**

Chair Schaffer, Vice Chair Scherer, Ranking Member Rogers, and members of the House Ways and Means Committee, thank you for the opportunity to offer the Ohio Municipal League and the Ohio Township Association's joint support of HB 571.

HB 571 does not create a new tax, nor does it increase any existing tax rate. It merely requires all entities selling hotel accommodations to remit the tax they already collect at the full rate for the price the consumer pays for the room. Local governments have worked alongside Ohio's hospitality and tourism-related industry groups to successfully create jobs, attract visitors, generate revenue and grow Ohio businesses. This legislation is a vital step in producing positive outcomes for Ohio's communities and travel economy.

This legislation seeks to restore this lost revenue stream in two parts. First, the bill defines hotel intermediary as someone who is not the hotel, but instead is either paid a commission by the hotel or arranges for hotel lodging while separately itemizing a service fee. Secondly, the bill defines the price of a room for an overnight stay as the total amount paid by the customer for the room to the hotel intermediary in question. This definition clarifies that the OTC owes a lodging tax on what the customer paid to secure an overnight stay in the room – the price of the room plus any itemized service fee.

Ohio's travel economy is an important part of our current and future prosperity. Taxes paid by hotels provide vital services and infrastructure for the communities in which they are located. They also provide revenue for the destination marketing efforts that draw more business and leisure travelers and promote our communities - an important part of economic development.

HB 571 merely updates current law to reflect the digital age and ensures that municipalities do not lose revenue when customers use OTCs to book hotel rooms online. The Ohio Municipal League and the Ohio Township Association appreciate Rep. Greenspan for his work to update the Ohio Revised Code and to ensure the remission of all such taxes owed to Ohio's local governments. We urge your support of this bill.

Sincerely,

Kent Scarrett
Executive Director
Ohio Municipal League

Matthew J. DeTemple
Executive Director
Ohio Township Association