



**County
Commissioners
Association of Ohio**

Serving Ohio Counties Since 1880

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TO: MEMBERS OF HOUSE WAYS AND MEANS COMMITTEE

FROM: BRAD COLE, MANAGING DIRECTOR OF RESEARCH

SUBJECT: SUPPORT FOR HB 150

Chairman McClain, Vice Chair Scherer, and Ranking Minority Member Cera, my name is Brad Cole and I am here representing the County Commissioners Association of Ohio (CCAO). CCAO supports HB 150.

HB 150 would require hotel intermediaries such as Expedia, Orbitz, and Travelocity to collect and remit all applicable sales and use taxes and lodging taxes to the state and political subdivisions levying such taxes within Ohio.

Counties levy permissive sales and use taxes under Ohio law and are also authorized to levy a lodging tax on transient guests staying at a hotel within the county. County sales and use taxes are a critical revenue source to the county general fund of every county within Ohio. County lodging taxes are generally used by counties to fund the operation of convention and visitors bureaus to promote travel and tourism within each county levying the tax. According to Ohio Department of Taxation survey data, 67 counties were levying a lodging tax in calendar year 2012.

Unfortunately, hotel intermediaries operating in Ohio generally collect and remit lodging taxes on the wholesale price rather than the full retail price that the hotel intermediary charges a customer. This results in a loss of sales and use tax revenue to the state and local governments that levy sales taxes and the loss of tax revenue to local governments that levy lodging taxes.

CCAO notes that this tax is due and payable under existing law, but due to certain ambiguities in the law hotel intermediaries have avoided collecting and remitting the tax resulting in a loss of revenue to the state and taxing districts including counties.

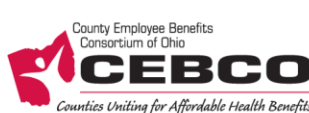
HB 150 corrects this problem by requiring hotel intermediaries to

- collect all applicable sales and lodging taxes,
- supply all customers with an invoice of the full amount paid including all taxes collected before the guest completes the guest's hotel stay, and
- clarify that all hotel intermediaries are deemed to have "substantial nexus" with Ohio for purposes of collecting sales and lodging taxes.



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Mr. Chairman and members of the committee, I appreciate the committee's consideration of our position on HB 150. I would be happy to try to answer any questions from members of the committee at this time.

c. Honorable Cheryl Grossman