

Good afternoon Senator Daily, Representative Staples and members of the Finance Committee. My name is Chuck Moran. I am the General Manager of the Marriot Courtyard in Cromwell where I currently employ _____. I am also the president of The Connecticut Lodging Association a statewide trade association representing the over 400 lodging properties in the state of Connecticut. I want to thank you for the opportunity to provide you with a perspective from the lodging industry. I am here to testify in opposition to House Bill 6561 An Act Concerning Municipal Revenue Diversification and Senate 997 A Municipal option to Delay Revaluations

There are few if any remaining individuals who question the depth of the economic turmoil facing people and the businesses that provide them with jobs. The hotel industry is particularly vulnerable and the full effects of the recession are hitting us hard. We don't make the headlines, but each associate in our hotels faces the prospect of job loss and fewer hours. Each day is stark testimony to the fact the industry hanging on with difficulty but that the human price in job loss and pay loss is debilitating for so many of our associates. As a manager of people it is hard to witness.

I am here to ask you to do no further harm to our industry by increasing our occupancy tax or shifting the burden of the personal property tax through revaluation onto the lodging industry. We already charge one of the highest taxes for a hotel stay in the country. (We have provided a copy of hotel tax comparisons with the written testimony)

According to a recent study by the American Hotel and Lodging Association the imposition of a tax of 1% would mean a reduction in hotel revenue of 2%. That means the loss of jobs and the loss of occupancy tax revenue. The actual result of a tax increase would mean an actual reduction in the occupancy tax that is now collected and was last reported to be at over 80 million dollars to the general fund.

Hotels are in a difficult position Please don't compound the problem with the enactment of a tax increase, small and large lodging properties could be devastated. It is the wrong time to increase the tax on hotels.

Moreover the idea of creating a local option for taxation would set one community against another. A hotel on the border of a taxing town may be advantaged or disadvantaged by virtue of a decision of the town council. It would make hotels disinclined to locate or continue operations in a disadvantaged situation. It would potentially have long term consequences for the communities most at need.

In times of economic uncertainty, policy makers work to enhance job creation and improve the business climate. Connecticut's focus should be on promoting the growth of tourism and the film industry and thereby increasing the revenue from the hotels in a tried and true way. Don't increase the tax on an industry that bears its full share of tax burden. The consumer may pay the increase but it ultimately affects the businesses bottom line

State and Local Taxes on Lodging in Maine, New England, and Selected States and Destinations

	Total state taxes on lodging (minimum)	Total available local option taxes	Total state and local taxes on hotels (maximum)	Additional fees
Maine	7.00%	0.00%	7.00%	
New Hampshire	8.00%	0.00%	8.00%	
Vermont	9.00%	1.00%	10.00%	
Massachusetts	5.70%	4.00%	9.70%	
Connecticut	12.00%	0.00%	12.00%	
Rhode Island	12.00%	0.00%	12.00%	
New England Average	8.95%	0.83%	9.78%	
New York	4.00%	9.75%	13.75%	
Florida	6.00%	7.00%	13.00%	
Arizona	5.50%	6.57%	12.07%	
Hawaii	4.16%	7.25%	11.41%	
Selected Destinations				
Martha's Vineyard, MA	5.70%	4.00%	9.70%	
Boston, MA	5.70%	4.00%	9.70%	
Portsmouth, NH	8.00%	0.00%	8.00%	
Burlington, VT	9.00%	1.00%	10.00%	
Stratton, VT	9.00%	1.00%	10.00%	
Newport, RI	12.00%	0.00%	12.00%	
Mystic, CT	12.00%	0.00%	12.00%	
New York, NY	4.00%	9.38%	13.38%	Plus \$3.50 per day
Phoenix, AZ	5.50%	6.57%	12.07%	
Miami, FL	6.00%	7.00%	13.00%	
Tampa, FL	6.00%	6.00%	12.00%	
Honolulu, HI	4.16%	7.25%	11.41%	

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