

Dear Senator Daily:

We write to request your **support for H.B. 5420**, which will be considered by the Finance, Revenue and Bonding Committee on Monday, March 12. This bill will promote tax equality between hotels and online travel companies (OTCs) like Expedia and Orbitz that act as intermediaries or room remarketers in the hotel booking process. Its passage is critical to the success of Marriott's 43 hotels – with over 2500 employees – in the State of Connecticut.

Hotels have long collected and remitted room occupancy taxes based on the retail rates paid by guests for rooms. In contrast, OTCs have systematically chosen to remit room occupancy taxes based on the lower, wholesale prices they pay hotels for rooms – not the final retail prices their customers pay, which include a substantial wholesale to retail markup.

The OTCs' tax practices have been facilitated by ambiguous and outdated tax laws that fail to account for their new role as intermediaries in the booking process. The result is effectively two different types of tax treatment for nearly identical transactions undertaken to book hotel rooms in Connecticut. H.B. 5420 would end this market-distorting windfall for OTCs, the benefit of which is not passed on to consumers. At the same time, passing H.B. 5420 would shore up resources used to support government investments in Connecticut communities where Marriott operates our hotels.

Marriott stands with the Connecticut lodging industry in supporting H.B. 5420, and we hope you will do the same. This fiscally responsible measure will promote a level playing field between our booking channels and brick-and-mortar hotels– major employers that have made real investments in the state – and out-of-state OTCs. We look forward to maintaining a dialogue with you about this issue for the remainder of this legislative session.

Please let us know if we can provide any further information or be of assistance.

Sincerely,

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