



**TO: Members of the Connecticut State Legislature**

**FROM: Bobbie Singh-Allen, Executive Director**

**RE: Opposition HB 5420**

**DATE: March 8, 2012**

On behalf of the Independent Lodging Industry Association and over 3,000 independent hotel members nationwide and many properties in Connecticut. We respectfully urge you to **Oppose HB 5420. Do not place a sales tax on the service fees of the online and offline travel companies that benefit local lodges, inns and service providers in Connecticut.**

Make no mistake, the lodging industry is not united on this issue! We are the only association not controlled, dominated, or run by corporate chain hotels like Marriott.

**HB 5420 would create a new tax on the service customers use to book rooms in Connecticut, increasing the cost of tourism in Connecticut.**

Independent hotel owners rely on travel agents and online travel companies to help sell hotel rooms that would otherwise go unsold. Because they lack the marketing infrastructure of large hotel chains, independent hotel companies often find it helpful to partner with travel agents and online travel companies—particularly during slower travel seasons. In this way, owners of independent hotels can reach out-of-state visitors throughout the world who might never hear of these properties but for the marketing reach of their online partners.

The lodging industry has suffered in this weakened economy. Online Travel Companies (OTCs) such as Priceline, Expedia, Orbitz, Travelocity, and others are playing a vital role in boosting room sales in these difficult times. The heads OTCs put in beds often is the difference between profitability or loss for many hotel operators

This, in turn, means that **proposals to raise taxes on travel agents and online travel companies threaten to cause disproportionate harm on the small business owners who operate independent hotels.**

Independents can't match large corporate hotel's marketing war chests, thus they rely heavily on OTCs to compete with branded hotels. Without a robust OTC channel, independent hoteliers will be put at a competitive disadvantage with chain hotels. It's critical that OTCs not be marginalized as it would diminish the ability of independent hotels to compete effectively.

Hotels, with the help of Online Travel Companies, boost the local economy by supporting jobs and increasing tourism. When people travel, many supporting businesses benefit. Every effort must be made to stimulate the economy and job growth.

**For the sake of tourism and the small business owners who operate independent hotels in the state, I urge you to oppose HB 5420 and any efforts to apply sales tax to the service fees of online and offline travel companies.**

Thank you very much for your attention to this matter. If I can answer any questions about this bill or its impact on our membership, please do not hesitate to contact me.

Respectfully yours,

*Bobbie Singh-Allen*

Bobbie Singh-Allen, J.D.  
Executive Director

About Us:

The Independent Lodging Industry Association (ILIA) is a national association with over 3000 members nationwide. It was founded in 2010 by the California Lodging Industry Association (CLIA). CLIA was established 65 years ago by a group of independent hotel owners and operators. Over the past several decades, independent hotels, independently owned franchised hotels, and owners have been impacted by decisions being made out of the halls of State Capitols to Washington, D.C. Chain hotels have dominated the policy making process. ILIA will level the playing field and allow independent hotels a seat at the table. For more information, please contact me at: [bobbie@independentlodging.org](mailto:bobbie@independentlodging.org) or 916-826-2075.