



March 15, 2021

The Honorable John Fonfara
Chairman
Finance, Revenue and Bonding Committee
Legislative Office Building, Room 3700
Hartford, CT 06106

The Honorable Sean Scanlon
Chairman
Finance, Revenue and Bonding Committee
Legislative Office Building, Room 3700
Hartford, CT 06106

The Honorable Henri Martin
Ranking Member
Finance, Revenue and Bonding Committee
Legislative Office Building, Room 3700
Hartford, CT 06106

The Honorable Holly Cheeseman
Ranking Member
Finance, Revenue and Bonding Committee
Legislative Office Building, Room 3700
Hartford, CT 06106

Dear Chairmen Fonfara and Scanlon, Ranking Members Martin and Cheeseman:

I am writing on behalf of Booking Holdings Inc. ("Booking"), a leading provider of online travel services headquartered in Norwalk. Booking operates through several subsidiary brands, two of which are Priceline.com LLC ("Priceline"), headquartered in Norwalk, and KAYAK Software Corporation ("KAYAK"), headquartered in Stamford.

Booking strongly opposes proposed bills S.B. 821 and H.B. 6187 which would create a new online advertising tax. The harm to consumers and Connecticut businesses vastly outweighs any benefits and we urge the committee to please reject any new tax on advertising, especially during a time when so many are trying to recover from the devastation caused by the ongoing pandemic.

The Booking brands include Priceline, KAYAK, Booking.com, Agoda.com, Rentalcars.com and OpenTable. Together, Booking serves consumers, accommodations, restaurants and other travel partners in more than 220 countries and territories throughout the world. Booking has thousands of employees, many of whom live and work in Connecticut.

Every day, millions of consumers search Priceline, KAYAK and the other Booking brands to compare and reserve hotel rooms, flights, rental cars and tables at restaurants. Our websites are popular because they allow consumers to compare and price shop millions of travel destinations, hotels and attractions with their fingertips, enabling consumers to find the experience that meets their needs.

More than 400 hotels in Connecticut choose to list with Booking because we help them market their properties and connect with travelers. In 2019 alone, Booking's brands facilitated hundreds of thousands of room nights in Connecticut.

The travel and hospitality industry has been hit tremendously hard, accounting for nearly 40 percent of job losses due to the pandemic. Reinvigorating the industry is critical to jumpstarting the economy. Online services like ours are continually striving to help the industry recover by providing consumers the ability to find the travel options that work for them - much of which is made possible by marketing and advertising.

Marketing and advertising are key to driving business to hotels across Connecticut. Increasing the cost of advertising just as the sector is poised to start recovering from this pandemic is ill-timed and ill-conceived. Now is not the time to add new burdens to companies that are still working to recover.

We are also concerned by the lack of details contained in these tax proposals. First, “advertisement” is a very broad term, and it would need to be very clearly defined. Second, assuming there is a clear definition of “advertisement”, by its very nature, online content can be seen by anyone on the Internet, yet the proposal is not clear what would happen if multiple jurisdictions seek to tax the same advertisement. Would the tax apply only when the advertisement is seen by a Connecticut resident? If so, how would that be determined and tracked (IP address, billing address etc.)? If the tax would apply to advertising by businesses with a certain amount of world-wide revenue, how would that be calculated? These are some of the many questions that lead us to have significant concerns.

Finally, while many companies have moved to neighboring states, Priceline, KAYAK and Booking Holdings have remained and continue to grow in Connecticut. Governor Lamont recently signed into law a measure that would incentivize data center operators to locate their supercomputing facilities here in Connecticut. As the Commissioner of DECD testified, data centers are the backbone for the digital age and that providing these incentives was a “once in a generation opportunity to signal to the data center industry and the rest of the country that Connecticut is open for businesses and leading the charge for 21st century jobs”. Imposing taxes on technology companies would be inconsistent with that message while risking harm to consumers and businesses.

In conclusion, we believe that imposing a new tax on advertising would have an adverse effect on Connecticut’s economy. It would have a negative impact on employees and employers in the State as well as the travel and tourism industry during this challenging time. We urge the General Assembly to reject these measures.

Thank you.

Emmett O’Keefe
Public Affairs
Booking Holdings Inc.