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On Behalf Of: Ashley Inn
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB2977

TLT Increase is Bad for our Community

The Oregon legislature will be voting on an increase in the Transient Lodging Tax (TLT). This is paid by visitors who spend the night and is being raised at the same time the economy is slowing and hotels are already watching guests cancel their advance reservations.

Guests will only pay so much for a room. Hotels will either have to pay the tax increase themselves, which they cannot afford, or raise their room rates. Many overnights - already stressed by the economy - will refuse to pay the higher rates and switch into day trippers to avoid paying any taxes at all.

This will have several impacts:

- Demand will fall for in-restaurant and catered meals, evening entertainment, event facilitation, and other business in our community.
- Hotels and meeting venues that depend on multi-day gatherings will fail.
- Demands on our community services will increase since day visitors use more than overnights.
- Tourism tax revenues will fall with less overnight guests, making it even harder to fund services.

The bottom line is that more tax will destroy our jobs and punish business owners. Combined with the City and County TLTs we are at a 20% tax on our rooms, what do our guests, our communities or our businesses get for increasing our room costs by 20%?

The answer is not to strangle our visitors. Rather, the State should start by streamlining its own operating costs the way we hoteliers have already done.

Everything about the proposed TLT increase is bad public policy.