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House Resolution 1484

By: Representatives Stephens of the 164th and Bryant of the 160th

A RESOLUTION

- 1 Requesting that the United States Congress not pass legislation that would preempt local
- 2 taxing authority by preventing state and local governments from collecting hotel-motel taxes
- 3 and any sales taxes or sales and use taxes from third-party intermediaries when hotel rooms
- 4 are booked through such third parties, that would allow online travel companies to avoid
- 5 paying hotel-motel taxes and any sales taxes or sales and use taxes on retail room rates
- 6 prospectively, or that would preempt local governments from suing online travel companies
- 7 to recover unpaid hotel-motel taxes or any sales taxes and sales and use taxes; and for other
- 8 purposes.
- 9 WHEREAS, the State of Georgia, like the rest of the nation, is in the midst of a challenging
- 10 economic downturn; and
- WHEREAS, state and local governments are experiencing tremendous budgetary strains
- 12 associated with the worst fiscal crisis since the Great Depression; and
- WHEREAS, the hotel-motel tax and the associated sales and use taxes have a significant
- 14 impact on the economy of the State of Georgia and are important funding sources for many
- 15 local governments in Georgia; and
- 16 WHEREAS, tourism in Georgia is a major contributor to this state's economy and the
- 17 well-being of its citizens; and
- 18 WHEREAS, hotel-motel taxes and any sales taxes or sales and use taxes are often used to
- 19 fund tourism promotion and destination marketing, promote conventions and trade shows,
- 20 promote economic development, pay bond obligations on community projects, and fund
- 21 tourism costs such as those related to convention centers and visitor centers; and
- 22 WHEREAS, online travel companies receive payments over the Internet for the lease or
- 23 rental of hotel rooms in Georgia municipalities and counties; and

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WHEREAS, some online travel companies do not remit to Georgia municipalities and counties the full amount of hotel-motel taxes and sales and use taxes collected based upon the total consideration charged for the lease or rental of hotel rooms and instead remit taxes

- 27 on the wholesale price of the room and not the room rate advertised to the consumer; and
- 28 WHEREAS, in order to collect hotel-motel taxes and any sales taxes or sales and use taxes
- 29 owed, local governments throughout the country have filed lawsuits to compel firms that
- 30 receive payments over the Internet for the lease or rental of hotel rooms to remit to the local
- 31 governments the unpaid taxes that were not paid because of the practice of calculating taxes
- 32 on the wholesale rate rather than the full booking price; and
- 33 WHEREAS, the City of Columbus, Georgia, recently won a suit against an online travel
- 34 company when the court found that the online travel company should pay taxes to the local
- 35 government based on the room rate advertised to the consumer; and
- 36 WHEREAS, after the suit was filed, online travel companies subsequently delisted hotels in
- 37 Columbus, Georgia, and searches through these websites for Columbus accommodations are
- 38 now directed to Phenix City, Alabama, or other jurisdictions, and this delisting has occurred
- 39 in other jurisdictions; and
- 40 WHEREAS, bills or amendments or both are being considered at the federal level that would
- 41 prevent state and local governments from collecting hotel-motel taxes and any sales taxes or
- 42 sales and use taxes from third-party intermediaries when hotel rooms are booked through
- 43 such third parties, that would allow online travel companies to avoid paying hotel-motel
- 44 taxes and any sales taxes or sales and use taxes on retail room rates prospectively, or that
- 45 would preempt local governments from suing online travel companies to recover unpaid
- 46 hotel-motel taxes and any sales taxes or sales and use taxes; and
- 47 WHEREAS, federal legislation that impinges on the ability of state and local governments
- 48 to collect hotel-motel taxes and any sales taxes or sales and use taxes is contrary to local
- 49 control and federalizes what are traditionally local tax matters.
- 50 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES that
- 51 the members of this body request that the Georgia congressional delegation oppose
- 52 legislation that would preempt local taxing authority by preventing state and local
- 53 governments from collecting hotel-motel taxes and any sales taxes or sales and use taxes
- 54 from third-party intermediaries, that would allow online travel companies to avoid paying

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55 hotel-motel taxes and any sales taxes or sales and use taxes on retail room rates

- 56 prospectively, or that would preempt local governments from suing online travel companies
- 57 to recover unpaid hotel-motel taxes and any sales taxes or sales and use taxes.
- 58 BE IT FURTHER RESOLVED that the Clerk of the House of Representatives is authorized
- and directed to transmit an appropriate copy of this resolution to each member of the Georgia
- 60 congressional delegation.