

Utah Hotel & Lodging Association legislative priorities for 2012

1. Removing sales tax on room amenities and complimentary continental breakfast

Currently hotels are required to pay sales tax on shampoos, soaps and other amenities that are put into the commodity of the room and sold to the guest. Our position is that these amenities, as well as complimentary breakfast that is included in the purchase price, should be exempt from sales tax when purchased wholesale for resale. Rather we believe that the tax currently levied on the end user should be sufficient for these products. This would put hotels in a similar tax treatment as most other industries that engage in wholesale purchase for retail sale.

2. Introduce a hotel liquor license

Currently hotels guests are unable to move between functions within a hotel while holding a lawfully purchased alcohol beverage. This causes countless awkward moments among guests who, with no ill intentions, are caught in the middle of laws that they do not understand, nor are easy to understand. Additionally, hotels are required to manage, in many cases, four or five, even as many as eleven licenses in one hotel. Having one license would make the enforcement of liquor laws far more manageable while also creating a more hospitable atmosphere for those visiting the State.

3. Support the creation of fair tax policy for online travel agents

There is a lot of contention nationally about whether online travel agencies should collect and remit sales and room tax on the wholesale or on the retail rate. Many counties within Utah have expressed their concern that the current practices of the online travel companies are inconsistent with their interpretation of the law. We support tax policy that allows taxing jurisdictions to collect taxes on the retail rate of the room.

4. Increase the state per diem rate

In many communities throughout Utah the state per diem rate is much lower than the average daily rate of reasonable accommodations in the area. In order to ensure that state employees are able to find reasonable accommodations and that hotels are able to serve that group while maintaining rate integrity, we encourage an evaluation of the system. We support the State of Utah adopting the Federal Per Diem rate for Utah destination for all in-state travel.

5. Ensure funding for the tourism performance marketing fund

In conjunction with our partners at the Utah Tourism Industry Coalition we are committed to ensure continued support for tourism marketing. It is important to invite people around the country to come see this great state and we will work to ensure that the legislature understands how valuable the results of these efforts are as an economic engine.

6. Fight significant funding mechanisms for a convention center hotel

We do not believe that it is the place of state or local government to provide significant financing for a convention center hotel in Salt Lake City at this time. We will work to discourage any level of government from pursuing a funding model for this type of hotel which includes major government intervention and that disadvantages existing hotels in their ability to compete.