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June 7, 2013

Honorable, Ginny Burdick, Chair
Senate Finance and Revenue Committee
900 Court St. NE, Room 143
Salem, Oregon 97301

Dear Senator Burdick:

My name is Tammy Cota. I am the executive director of the Internet Alliance, the leading national Internet trade association operating in the states. My members include 1-800-Flowers, Amazon.com, AOL, Facebook, eHarmony, Expedia, Experian, Google, IAC, Match.com, United Online, VeriSign, Overstock.com, Yahoo! and others.

My members want to express our strong opposition to HB 2656, a bill that would impose a new tax on tourism, as it creates a new tax on the total fees charged for hotel rooms by intermediaries. We respectfully oppose this tax and agree with the Independent Lodging Industry Association and the Interactive Travel Services Association testimony against HB 2656.

Travel intermediary companies like Expedia, Orbitz and Travelocity drive valuable tourism dollars to Oregon and have helped produce the \$8.7 billion tourism industry the state currently enjoys. In fact about 42 percent of all overnight accommodations in 2009 were booked online, according to www.TravelOregon.com.

The very online travel intermediaries that drove a large share of tourism to the state are now being singled out unfairly and unnecessarily for taxation, even when these companies lack ownership and physical control over the rooms rented. Please realize that the businesses and families that booked rooms online in 2009 (most recent statistics available from Travel Oregon) spent \$33 million on recreation, \$52 million on transportation, \$57 million purchasing items at retail outlets and a whopping \$57 million on food and beverages, according to the same report.

Oregon's travel industry directly generates some 92,400 jobs, which could be at risk. Oregon simply cannot afford to tax an industry so vital to economic growth and job opportunity in the state. We understand the need to close budget shortfalls, however imposing a tax like this during such a weakened economy could backfire. These travelers and vacationers, who spend billions in Oregon could simply choose to visit bordering, cheaper locations such as California, Nevada and Washington, all states that do not have this additional tax.

Visitors are happy to, and already do, pay local taxes like everyone else. But when it is clear that they are being singled out unfairly with additional hotel taxes, car rental taxes, airport fees, visitor attraction fees, etc., they easily get turned off. These potential visitors, already tight on cash, will simply look at the state as too expensive, and will likely chose elsewhere to visit.

The economic downturn that will occur will be long-term and will ultimately hurt local residents, the very people lawmakers want to protect. So we urge you to **reject** this counterproductive travel and tourism tax. Please feel free to contact me if you have questions.

Sincerely,

Tammy Cota
Tammy Cota

cc: Senate Finance and Revenue Committee members