



5 March 2013

The Honorable Phil Barnhart  
Chairman, House Revenue Committee  
900 Court St. NE, Salem, Oregon 97301

Dear Chairman Barnhart:

On behalf of Expedia, Inc., I urge you to oppose H.B. 2656 (sponsored by Rep. Margaret Doherty) when it comes before your committee today.

By extending transient lodging taxes to capture the service fees charged by travel intermediaries, H.B. 2656 would impose **a new tax on travel services**, including those provided by online travel companies like Expedia and by traditional, storefront travel agents in Oregon—the vast majority of whom are small business owners.

In addition to imposing new administrative and recordkeeping burdens on hundreds of Oregon-based travel agents, wedding planners, student travel groups, tour operators, and other businesses that arrange travel to Oregon, the bill would create a significant economic disincentive to the promotion of business and leisure travel to the state.

In addition, raising taxes on the service fees collected by travel companies reduces the incentive for intermediaries to promote travel to Oregon through marketing partnerships, online advertising, and other channels. This short-sighted effort will act as a drag on Oregon's economic recovery.

In difficult economic times, consumers are acutely price-sensitive when making travel plans. Even small increases in price can make would-be travellers choose to shorten or postpone a planned vacation or choose a lower-cost destination. Shortened and cancelled trips generate less economic activity and less tax revenue. Instead of raising taxes on tourism, I respectfully urge you instead to pursue public policy alternatives that will continue to make Oregon an attractive destination for both business and leisure travellers.

Thank you for your attention to this important issue. If you have any questions about the economic impact of this legislation, please feel free to contact me at (571) 762-6644.

Please do all you can to prevent H.B. 2656 from becoming law.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Colin D. Tooze".

Colin D. Tooze  
Director, Government & Corporate Affairs  
Expedia, Inc.

CC: Distinguished members of the State and Local Government Committee