



# Internet Association

February 2, 2018

House Committee on Revenue  
Oregon State Legislature  
900 Court St. NE  
Salem, Oregon 97301

Re: Oregon HB 4120 Relating to transient lodging taxes

Dear Committee members,

On behalf of the Internet Association (IA), I submit this letter expressing our opposition to HB 4120, which would impose cumbersome procedures for the collection and remittance of transient lodging taxes on short-term rentals and raises serious concerns about online privacy.

IA represents more than 40 of the world's leading internet companies, and advances public policy solutions that foster innovation, promote economic growth, and empower people through the free and open internet.

Short term rentals (STRs) are an example of internet-enabled innovation that increases quality and choice, while decreasing costs, and it must be allowed to compete and grow in an open market. This value proposition, along with the seamless connection of supply and demand, is unique to the internet and is reflective of all our member companies. By allowing individuals with a spare space to connect with people in search of a place to stay, short term rental platforms are another prime example of where the free flow of user-generated content has led to empowered individuals and widespread economic growth.

IA appreciates the opportunity to explain why we are opposed to HB 4120 as proposed. The concerns we have are not with the collection and remittance of local transient lodging taxes. IA is concerned with how the collection and remittance of those taxes is being proposed. We believe the proposal creates a confusing system which will not make for the efficient collection of taxes. IA member companies would like to work with the Department of Revenue to establish a more efficient system where the DOR would lead in remitting taxes to local jurisdictions.

The provisions in HB 4120 put a significant administrative and penalty burden on the platforms for short-term rental platform. For example, the bill changes the law requiring all taxes be based on the total charges to guests, including service and administrative fees. The proposal also makes all owners jointly and severally liable for taxes, even if only one party is responsible for collecting and remitting taxes.

In addition, the bill gives local governments broad and expansive subpoena power against platforms and all other lodging providers related to the "prosecution of inquiries" related local transient lodging taxes. The Internet Association's member companies are deeply committed to protecting user privacy. A basic principle of online privacy requires sufficient legal justification



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for government to obtain the personal data of online users. Here, it is not clear the justification provided for granting subpoena power against platforms and other lodging providers would be sufficient to override users' legitimate expectation of privacy when using an online service.

For these reasons, IA is OPPOSED to HB 4120 and respectfully asks the legislature to reject HB 4120 and allow the short-term rental companies to work with the Oregon Department of Revenue to make recommendations on a collection and remittance system which makes sense for the companies, the hosts and the state of Oregon.

Should you have any questions regarding our position, please feel free to contact me at [rose@internetassociation.org](mailto:rose@internetassociation.org) or 206.326.0712. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rose Feliciano', written over a light blue horizontal line.

Rose Feliciano  
Manager, State Government Affairs, Northwest Region

CC: Airbnb  
Expedia