



February 26, 2018

Senate Committee on Finance & Revenue  
Oregon State Legislature  
900 Court St. NE  
Salem, Oregon 97301

**Re: Oregon HB 4120 Relating to transient lodging taxes**

Dear Chair Hass and Members of the Committee,

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

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

Short-term rentals are an example of internet-enabled innovation that increase quality and choice, while decreasing costs, and they 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 a 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. We are not concerned with the collection and remittance of local transient lodging taxes (TLTs). As an innovative state, Oregon has an opportunity to embrace technology and implement an efficient collection of TLTs for the entire hospitality industry. However, HB 4120 creates a confusing system that 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 burden on short-term rental platforms. To put this into perspective, there are over 100 local jurisdictions with a TLT, however there is no uniformity in these laws. The laws vary in their rates, filing processes, timing, and auditing. Such variation makes it incredibly challenging for short-term rental companies to comply across jurisdictions. To reduce the administrative burden, the Legislature should develop a model TLT local ordinance with, at the very least, common standards for how the tax is applied and how information should be reported on the returns.

In addition, IA encourages the Legislature to allow the Department of Revenue to set up a 21st century,



centralized collection and remittance TLT system that works for the State of Oregon, local jurisdictions, and short-term rental platforms. Even the Oregon League of Cities has encouraged having a structure where local jurisdictions enter into an intergovernmental agreement with DOR for TLT collection and remittance. To accommodate this process, the Senate Committee should consider a delayed implementation date of July 1, 2019.

Without these changes, **IA must remain opposed to HB 4120** and respectfully asks the Legislature to reject the bill so that short-term rental companies can work with the Oregon Department of Revenue to make recommendations on a collection and remittance system that makes sense for the companies, the hosts, local communities, 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 blue ink that reads "Rose Feliciano".

Rose Feliciano  
Manager, State Government Affairs, Northwest Region