



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
BUREAU OF REVENUE AND FINANCIAL SERVICES

Ted Wheeler, Mayor
Jennifer Cooperman, Chief Financial Officer
Thomas W. Lannom, Revenue Division Director

Revenue Division
111 SW Columbia Street, Suite 600
Portland, Oregon 97201-5840
(503) 823-5157
FAX (503) 823-5192
TTY (503) 823-6868

February 26, 2018

Senator Mark Hass, Chair
Senate Finance and Revenue Committee
900 Court Street NE, HR A
Salem, Oregon 97301

RE: HB 4120-A

Dear Chair Hass and Members of the Committee,

Thank you for the opportunity to comment on HB 4120-A. The City of Portland supports this bill to establish a level playing field in the transient lodging industry and ensure transient lodging tax is properly collected and remitted for all bookings.

Oregon's transient lodging tax collection and remittance statutes must be updated to ensure a level playing field for the industry. Traditional brick and mortar hotels across the state have been collecting and remitting lodging taxes in full for decades, correctly calculating the tax based on the total consideration paid by the guest.

At the same time, some newer short-term rental platforms advertising residential and other rentals are refusing to remit any tax because, they argue, they do not fit the legal definition of "hotel operators" or "travel intermediaries" or other arguments under the law. They instead remit the tax directly to their hosts who frequently fail to remit it to the local jurisdiction.

Other short-term rental platforms are collecting and remitting only a selected portion of the tax, arguing that they are not required to apply the tax to the entire amount charged to the traveler and deducting items like "service" and "cleaning" fees that should be included in the base against which the tax rate is applied because the traveler cannot avoid them (they are non-refundable).

To be fair and consistent across the industry, transient lodging taxes must be applied to the total consideration paid by the traveler for the rental in every case, and HB 4120-A will help to ensure that happens. Failing to apply a uniform approach puts traditional hoteliers at a distinct competitive disadvantage because they are assessing the full legal tax rate while short-term rental platforms collect and remit either less or nothing at all. Lastly, local jurisdictions are losing vital tax revenue in support of travel promotion, police and fire protection and parks, among other basic services.

HB 4120-A will provide transparency and balance the playing field, ensuring transient lodging tax is properly collected and remitted for all bookings, whether the guest books directly with the lodging provider or through an intermediary.

An Equal Opportunity Employer
To help ensure equal access to programs, services and activities,
the Office of Management & Finance will reasonably modify policies/procedures and provide
auxiliary aids/services to persons with disabilities upon request.

www.portlandoregon.gov/revenue

The City of Portland respectfully urges your support for HB 4120-A. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom Lannom", written in black ink.

Thomas W. Lannom, CPFO
Revenue Division Director
Bureau of Revenue and Financial Services
City of Portland, Oregon