

United States Senate

WASHINGTON, DC 20510

June 28, 2010

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Baucus:

We write regarding our concern over an effort to add provisions regarding online travel companies (OTCs) to the Small Business Jobs Bill. For more than a year, OTCs have sought Federal legislation that would allow them to remit hotel occupancy taxes only on the discounted wholesale rate that they pay hotels for the rooms that they book, rather than the full retail rate that customers pay for those rooms. The legislation they are seeking would create a federal preemption to limit state and local governments' ability to fully apply occupancy taxes to OTC transactions.

We have concerns about this proposal for two main reasons: First, it would undermine an important revenue source for states, cities, and other local jurisdictions, as well as local convention and visitors bureaus and related activities that rely on these revenues to promote tourism and fund communities. Second, the proposal would potentially give the OTCs a competitive advantage compared to the hotels themselves since the OTCs would only have to remit occupancy taxes based on the discounted rate they pay hotels for rooms.

Given the complexity of this issue, it requires a full public airing before any legislative action is taken. The issue should be fully vetted, so that different interests are able to weigh in, including local governments and small hotels. Therefore, we urge you not to include this language in the upcoming Small Business Jobs Bill.

Thank you for your attention on this issue. We look forward to working with you.



Amy Klobuchar



Benjamin L. Cardin



Jeff Bingaman



Barbara Mikulski



Saxby Chambliss



Mark Pryor



Johnny Isakson



Mark Warner



Kirsten Gillibrand



Al Franken

A handwritten signature in blue ink, appearing to be 'L. Graham', with a large, stylized initial 'L'.

Lindsey Graham

A handwritten signature in blue ink, appearing to be 'Mark Udall', written in a cursive style.

Mark Udall