



RESTAURANT, LODGING, RESORT AND
CAMPGROUND ASSOCIATIONS

February 28, 2020

The Honorable Andrew Carlson
Minnesota House of Representatives
557 State Office Building
Saint Paul, MN 55155

Dear Representative Carlson:

We write in support of House File 346 (Senate File 473).

Hospitality Minnesota is the umbrella organization representing approximately 2,000 lodging, restaurant, and resort and campground businesses in Minnesota. The hospitality industry is a significant driver of jobs and our economy in Minnesota. This industry employs 1 in 10 workers in our state, generating approximately \$6 billion in wages. The industry generates nearly \$16 billion in gross sales (\$42 million per day) and collects and remits 18% of the sales tax, helping to fund Minnesota's spending priorities.

Lodging facilities pay their fair share of taxes in Minnesota, including local option lodging taxes. As a matter of fairness, accommodation intermediaries (including online booking companies such as Orbitz, Expedia or Travelocity) should be required to pay taxes on the entire amount charged to a guest, rather than on the wholesale price paid to a lodging property. We support clarifying the local option lodging tax should be collected in this manner, which is the purpose of House File 346. Allowing such companies to pay a lower tax rate allows them an unfair competitive pricing advantage when compared to booking portals managed directly by a lodging property or their brand.

We appreciate your interest in clarifying the law to ensure fairness in the marketplace.

Please let me know if you have any questions or if I can be of further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ben Wogsland", written over a large, stylized blue scribble.

Ben Wogsland
Director of Government Relations