



March 6, 2024

The Honorable Dave Lislegard  
House Property Tax Division Committee  
451 State Office Building  
St. Paul, MN 55155

The Honorable Duane Quam, Republican Lead  
House Property Tax Division Committee  
247 State Office Building  
St. Paul, MN 55155

**Re: Hospitality Minnesota Support for HF 3414 – Closing Lodging Tax Loophole**

Dear Chair Lislegard, Republican Lead Quam, and Members of the Committee:

Hospitality Minnesota represents hospitality businesses across the state of Minnesota, including restaurants and food service, hotels and lodging, resorts and campgrounds, and more. We advocate for policies that promote and support Minnesota's hospitality and tourism industries.

**Hospitality Minnesota strongly supports HF3414**, a bill that closes a loophole to ensure lodging and accommodations booked through online travel agencies are remitting lodging tax on the full portion of the room booking.

Under current law, only the 7 lodging taxes administered by the state are required to ensure the full portion of an online travel agency's room lodging tax is remitted. To date, there are 110+ lodging taxes administered locally. Therefore, this bill will help bring locally administered lodging taxes in alignment with state administered lodging taxes and ensure our convention and visitor bureaus are appropriately funded.

The lodging tax plays an important role in the hospitality and tourism ecosystem, as its proceeds are used to fund our state's local convention and visitor bureaus. These entities are critical to ensure our destinations across Minnesota are marketed. If a majority of our markets are not receiving lodging tax on the full cost of the booking, such as the online travel agency loophole allows, this places locally administered jurisdictions at a distinct disadvantage from a funding perspective. As a best practice, we encourage the legislature to bring the lodging tax into alignment between locally administered and state administered lodging taxes when dealing with online travel agency bookings.

We respectfully request your support for HF 3414 to close the online travel agency booking lodging tax loophole and align the lodging tax benefits statewide. We believe this effort is important to the success of our local tourism bureaus and ensuring they receive full funding from their local lodging tax.

Thank you for your consideration. Should you have any questions, please reach out to Director of Government Relations, Jill Sims at [jill@hospitalitymn.com](mailto:jill@hospitalitymn.com).

Sincerely,

**Angie Whitcomb**  
Hospitality Minnesota  
President & CEO

**Jill Sims**  
Hospitality Minnesota  
Director of Government Relations