



## More Cities Sue Online Travel Websites

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Columbus isn't the only city suing the sites. In fact, there are several across the country and that number now includes auburn and opelika.

"These municipalities need their money, these are hard times for municipalities," says Birmingham attorney Henry Frohsin.

That's why Frohsin has filed a mass action lawsuit against 18 online travel companies, like Expedia and Travelocity on behalf of 10 Alabama municipalities, including Auburn and Opelika.

Similar to the legal battle the sites are locked in with Columbus, the suit alleges the online travel companies aren't remitting their fair share of lodging taxes back to these cities.

"The online travel companies are failing to remit to the cities and county the portion of the lodging tax attributable to the retail sale to the customer," explains Frohsin.

Frohsin says this takes away valuable tax dollars the communities need.

"For instance, Auburn, Opelika, everytime Auburn plays a football game at home, you've got very large amounts of lodging tax due and owing because people sell and fill up these rooms and a great percentage of them are online transactions," Frohsin adds.

Attorneys couldn't tell us exactly how much money the sites owe the cities, but they say it's in the millions and they hope to get it back.

"We anticipate that the court will declare this tax due and owing by these online companies and they will have to repay the municipalities and the county."

Attorneys involved say they kept a close watch on the case in Columbus and the precedent it set.

No date for a hearing has been set. Meanwhile, a spokesperson from the Interactive Travel Services Association released the following statement regarding the suit.

"We are saddened about the misleading tactics of contingency-fee attorneys in attempting to convince Alabama municipalities to pursue these frivolous allegations. Contrary to what the plaintiffs' attorneys claim, online travel companies do not purchase or resell hotel rooms, and they do not own or operate hotels. Every penny of occupancy taxes owed on rooms is remitted in full to local hotels. We are confident that the court will agree with the five federal courts, including the Fourth Circuit Court of Appeals, that have determined that this type of taxes do not apply to online travel companies," says Andrew Weinstein, Spokesperson for the Interactive Travel Services Association.