

## **Saratoga County Board of Supervisors passes hotel occupancy tax legislation; online hotel room resellers upset by decision**

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BALLSTON SPA — The Saratoga County Board of Supervisors on Tuesday voted to pass its controversial room occupancy tax legislation that would require travel companies to collect and pay sales tax when the room resellers sell to their customers online.

After hearing from local hotel owners, concerned citizens and the president of the Interactive Travel Services Association last week, supervisors say they remain confident in the board's constitutional right to enact the law.

The hotel occupancy tax — 1 percent countywide and an additional 5 percent in Saratoga Springs — is used to supplement tourism efforts. Saratoga County lawmakers proposed the law to close a loophole they believe prevents the county from collecting thousands of dollars in hotel occupancy tax revenue every year. Current law only allows the county to collect taxes on the discounted rate offered by online resellers.

But the legislation was met with strong criticism from groups representing online travel companies, which perceived it as imposing a new tax.

In response to the county's decision, the Interactive Travel Services Association issued a statement:

"This proposal was inherently flawed from the beginning and is premised upon a misunderstanding of how the online travel company business model works. The hotels themselves seek the assistance of the online travel company to assist them in marketing their property to the OTCs customers. Under this model, the traveler pays a service fee to the OTC for providing the service of researching available hotel rooms and facilitating the booking. Thus, while the price displayed to a consumer may often appear similar to the total cost of booking directly through a hotel, the price charged by the travel agent includes services both for the hotel and for consumers, such as convenience, expert advice and a comparison-shopping platform. These services do not involve operating a hotel room, so OTCs should not be taxed as such."

Interactive Travel Services Association's members include Amadeus, Expedia, Orbitz Worldwide, Priceline, Sabre Holdings, Travelport and Vegas.com.