

Saratoga County hears opposing views but remains confident in hotel occupancy tax legislation following public forum

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BALLSTON SPA — The Saratoga County Board of Supervisors on Wednesday listened to conflicting viewpoints during a public hearing on the proposed room occupancy tax.

After hearing from local hotel owners, the president of the Interactive Travel Services Association and other concerned citizens, the Board of Supervisors seemingly remains confident in its right to enforce a room occupancy tax on Internet travel companies.

The public hearing centered on a controversial proposal to close what supervisors have deemed a loophole in the county's occupancy tax code. The tax — 1 percent countywide and an additional 5 percent in Saratoga Springs — is used to supplement tourism efforts. Supervisors have proposed the occupancy tax revisions as a way to collect tax revenue to which the county believes it is legally entitled.

Oftentimes, supervisors say, online travel companies obtain rooms at a discounted rate and sell them to customers at a higher price. But, the county can only currently collect the occupancy tax revenue on the lower rate, resulting in less revenue.

Because online travel companies such as Expedia and Orbitz do not pay an occupancy tax, they are being tagged by many as tax evaders that are not operating equally with the rest of the industry because they are only paying taxes on what they paid to the hotel, not the final price for which the room was sold.

Last year, the occupancy tax created about \$2.8 million in revenue in the county.

Joseph Rubin, president of the Interactive Travel Services Association, has been fighting occupancy tax for online travel companies across the country. At the hearing Wednesday, he called the tax unconstitutional and said online companies are not subject to pay the tax because they do not own or operate the hotels.

Todd Garofano, president of the Saratoga Convention and Tourism Bureau, said the issue is one of fairness. And Cynthia Hollowood, the operator and general manager of the Holiday Inn in Saratoga Springs, agrees, saying she thinks online travel companies "need to pay their share and remit what they collect," and that by not doing so, "they are doing themselves a disfavor."

Todd Shimkus, president of the Saratoga County Chamber of Commerce, said the county needs the money that is owed by the online travel companies, adding that the hotel occupancy tax would level the playing field in the Saratoga County tourism industry.

The Board of Supervisors is expected to vote on the occupancy tax legislation at 4 p.m. Aug. 21.