

# CLOSING THE LODGING TAX LOOPHOLE: SUPPORT HF3414 | SF3976

**Not everyone pays their share of the lodging tax, creating an unfair market and leaving tourism marketing dollars on the table for communities across Minnesota.**



**HF 3414/SF3976** closes the loophole for **over 110** locally administered lodging taxes, where online providers currently do not have to pay local lodging tax on the entire price charged to the consumer.



**The Problem:** Current law allows online travel companies to avoid paying lodging tax on the share of revenue they retain from an individual booking when the tax is administered locally.



**Make It Make Sense:** For the 9 state administered lodging taxes (7 cities, 2 counties) online accommodation providers are required to pay lodging tax on the entire price charged.

## **Why Should A Locally Administered Lodging Tax Be Any Different?**

This creates an inequity between cities, especially in Greater Minnesota, where often the lodging tax is locally administered. We should not pick winners and losers – everyone should receive the full funds from the lodging tax.

## **Who Is Losing?**

Tourism partners and cities across Minnesota. Convention and visitors bureaus and destination marketing organizations receive funds from lodging taxes to market their destination and hospitality businesses. They should receive the full lodging tax on each and every booking.

**ASK: SIGN ON AND SUPPORT HF 3414 | SF 3976  
TO SUPPORT TOURISM IN YOUR COMMUNITY**

