

NLRB Ruling is major step forward in franchise/joint employer issue

Shortly before the end of the year, the National Labor Relations Board (NLRB) reversed its 2015 Browning-Ferris decision, which had significantly expanded joint employer liability under federal law. OHLA joined AHLA and other partners in the business and employer community to educate public officials about the effects of joint employer on hotel owners and operators, and to create pressure for this action. We will continue those efforts as our national partners work for a more permanent solution through common sense legislation.

What Does This Mean For Employers? You can find out how the return to the prior reasonable standard for determining employer status benefits you in this [summary from OHLA Allied Member Fisher Phillips](#).

City of Columbus Contemplates Short Term Rental Rules

[The Columbus Dispatch](#) and [Columbus Business First](#) both reported on OHLA's role in discussions at the local level in Columbus to develop a workable framework for oversight of short term online rental platforms, including Airbnb. OHLA has been in discussions with city officials for many months and continues to advocate for a level playing field that protects professional independent lodging operators, while also guarding against extreme examples such as illegal hotels. OHLA is also working with members of the legislature on changes in the revised code to define short term rentals and protect local oversight. Our local lodging councils can share models for local legislation with any community.

To participate in the discussion on short-term rentals and other important legislation, consider service on OHLA's government affairs committee, Unique Lodging of Ohio Council and Political Action Committee. For more information, contact joe@ohla.org.

Making Sense of Federal Tax Reform

On Dec. 22 President Trump signed the Tax Cuts and Jobs Act into law. This act contains some of the most significant tax reforms since 1986.

Among the most notable provisions of the bill are: lowering of the corporate tax rate to 21%, seven individual tax brackets (10%, 12%, 22%, 24%, 32%, 35% and 37%); an increase in the standard deduction to \$12,000 for single filers and \$24,000 for married couples; and repeal of personal exemptions and miscellaneous itemized deductions.

The Tax Cuts and Jobs Act also contains these provisions relevant to business:

- Retention of the business interest expense deduction for small businesses (under \$25 million).
- Repeal of the corporate Alternative Minimum Tax.

- The tax burden for owners, partners and shareholders of S-corporations, LLCs and partnerships -- who pay their share of the business' taxes through their individual tax returns -- has been lowered via a 20% deduction. The maximum corporate tax rate is set at 21%, while pass-through entities have the option of deducting up to 20% of income. Some limits apply.
- Businesses will need to examine and possibly change what they withhold from employees' paychecks. The standard tax deduction has doubled, while personal exemptions have been eliminated. Plus, as much as 28% of federal tax may be automatically withheld on any bonus, commission, or supplemental wages, up from the current 25% rate.
- Expensing of equipment: the tax bill will allow businesses to immediately deduct the cost of new equipment for a five-year period.
- Employee perks: businesses will no longer be able to fully deduct the cost of food and beverage provided to workers. Instead, per the final accord, a business may only deduct up to 50% of those costs. In effect until 2025, after which deduction is eliminated completely.
- Tax preparation deduction has been eliminated.
- Businesses won't be able to write off the cost of sexual harassment settlements.
- Interest on debt: previously, interest counted as a business expense. But under the new tax bill, the net interest deduction is capped at 30% of EBITDA for four years, followed by an even tougher threshold going forward.

Ohio Hotel & Lodging Association strongly encourages member businesses to contact their CPAs or tax counsel for further clarification and specific needs of your lodging property.

Compiled from sources including Ohio Society of CPAs, Tax reform bill signed into law, December 22, 2017; Julia Horowitz, 34 Things you need to know about the incoming tax law, CNN Money, December 26, 2017; Zoe Henry, The Tax Bill Is Final. Here's What U.S. Businesses Need to Know, Inc.BrandView, December 20, 2017; and Joe Ciolli, An econ professor turned small-business owner breaks down his 3 big problems with the GOP tax plan, Business Insider, December 21, 2017.

Senator Portman Gains 60 Bipartisan Supporters for the Stop Enabling Sex Traffickers Act

Within the past week, U.S. Senators Rob Portman (R-OH) and Richard Blumenthal (D-CT) announced that 60 bipartisan senators have joined in supporting the Stop Enabling Sex Traffickers Act also know as "SESTA." (S. 1693). Reaching this number is a key step for legislation as it progresses through the Senate, and helps ensure that the measure will continue on its way to full passage.

In a joint statement, Senators Portman and Blumenthal said, "Today is another important milestone in our fight to hold online sex traffickers accountable and help give trafficking survivors the justice they deserve. There continues to be strong bipartisan support and momentum for this bill, and behind our efforts to help ensure that sex traffickers are brought to justice. In recognition of the president's declaration of January as National Slavery and Human Trafficking Prevention Month, we would urge the full Senate to take up and pass SESTA as quickly as possible."

The legislation would clarify Section 230 of the Communications Decency Act to ensure that websites that knowingly facilitate sex trafficking can be held liable so that victims can get justice. The Senate Committee on Commerce, Science and Transportation approved the bill unanimously on November 8. Since its introduction, SESTA has earned widespread support from victims and advocates, law enforcement, the civil rights community, faith-based groups, and the tech community. Portman and Blumenthal have echoed the concerns of victims advocacy groups who have said that the House Judiciary bill on this topic is harmful to efforts to protect trafficking survivors.

OHLA supports this legislation and will meet with Senator Portman in an industry roundtable in Cleveland on January 12.