

State Budget Amendments Propose Changes in Tax Policy

House Bill 96, Ohio's two-year budget bill, continued its journey through the legislative process with hearings in the Ohio Senate after passing the House by a vote of 60-39. In addition to making appropriations for programs funded by the state, the 5,565-page bill also contains language addressing numerous policies both supported and opposed by hotel businesses.



OHLA [supports a proposed change to provide local jurisdictions flexibility in promoting growth and investment](#) by permitting municipalities to extend a tax exemption to a hotel for up to 15 years past the current statutory 15-year maximum. Under current law, hotels that are profitable during the 15-year abatement may become unprofitable as soon as the abatement expires. Those hotel owners are disincentivized from making renovations and improvements near the end of the abatement and may be forced to shut down entirely. Granting permissive authority to the local taxing authority allows these partners to make the responsible fiscal decision for their community.

OHLA also [supports an increase in the Ohio Film and Theater Production Tax Credit](#) because of the measurable positive impact that program has on hotels, other businesses, and the communities that they serve. OHLA offered testimony in favor of stand-alone legislation doubling the amount of available credit, as well as supporting efforts to include it in the omnibus budget bill.

Amendments regarding lodging tax surfaced as the Senate worked to finalize H.B. 96, including:

- Renewing a special lodging tax for cultural facility purposes in Fairfield County
- Repealing an existing 2 percent tax for convention facilities authority in Ashtabula County
- Allowing convention and visitors bureaus in certain counties to fund safety and infrastructure projects with lodging taxes
- Allowing certain counties to add a 1 percent lodging tax for safety-related services in resort areas
- Permitting a voter-approved increase in resort area tax of 2 to 2.5 percent

A troubling trend emerging on the legislative and policy front includes proposed increases in lodging tax or new taxes on hotel stays, coupled with the diversion of lodging tax from uses related directly to travel marketing that increase overnight visits. OHLA will continue to prioritize the protection of Ohio's current lodging tax model, which directs portions of the revenue generated to travel marketing, contains statutory limits on total tax charged, and offers other safeguards.

OHLA Brings Strong Ohio Delegation to Hotels on the Hill



Hoteliers and partners from around Ohio represented the industry at the annual legislative fly-in event, Hotels on the Hill, hosted by the American Hotel & Lodging Association in Washington, DC.

Participants received briefings from Washington insiders, government officials, public policy experts and AHLA staff. Speakers included U.S. Senator Ashley Moody (R-Florida) and Marvin Kaplan, Chairman of the National Labor Relations Board (NLRB). Panels and presentations were offered on:

- What the Trump Agenda Means for Hospitality
- Workforce Solutions: Addressing Hospitality's Staffing Needs
- Tax Hikes? No Way! Learn How Tax Policy Will Impact Small Businesses
- Ins & Outs of Navigating Capitol Hill and State Legislatures

More than a dozen individuals representing Ohio then met with members of Ohio's Congressional Delegation, including U.S. Senator Jon Husted.



OHLA members emphasized the critical need to support pro-hotel, pro-jobs tax policies; discussed efforts to protect America's franchise business model, including codifying the traditional joint employer standard; and expansion of relevant visa programs as a necessary workforce option for thousands of hotel & lodging businesses.

Additional state-related issues include the need to address per diem in key Ohio markets and the importance of delivering federal CHIPS Act support to continue the business growth related to technology-focused manufacturing in our state.

Lawmakers visited included Representatives Greg Landsman, Joyce Beatty, Jim Jordan, Bob Latta, Warren Davidson, Marcy Kaptur, Troy Balderson, and Mike Carey.

Thanks to all of the attendees for volunteering so much of their time and effort. For more information about legislative and public policy issues, please email info@ohla.org.

