

**SB 511/ AB 723**  
**on SERTA & New IRTA's**

Position of the Wisconsin Innkeepers Association

*The Wisconsin Innkeepers Association (WIA), representing over 900 lodging properties around the state of Wisconsin, **opposes utilizing room tax or car rental tax increases to fund any regional transit authority.***

*SB 511 and AB 723 authorize the use of an up to 2% room tax and an up to \$18 car rental fee in the counties of Racine, Kenosha, Washington, Ozaukee, and Waukesha to fund Interim Regional Transit Authority's (IRTA's) and eventually the Southeastern Regional Transit Authority (SERTA).*

*Should these components be removed, the WIA would not oppose the bills.*

*The reasons for opposing RTA funding from an added room tax or a car rental tax increase include:*

- ***Room Tax**, a unique tax imposed solely on customers of the lodging industry, is **already utilized in 278 municipalities** around the state primarily to fund local tourism promotion to attract tourists to spend money in their area*
- ***Room Tax** is already authorized to be up to 8%, which when added to state sales tax, county sales tax, and any special district taxes adds up to **ranges from 13% - 14.6%**. This is already a significant and noticeable tax on the very tourists we try to attract to our state.*
- ***The primary users of regional transit will be commuters or "day-trippers"** (those traveling to an area just for the day, but not staying overnight). Authorizing a tax on overnight travelers and those flying in to Milwaukee and renting a car to drive somewhere in the state is taxing not only those who would not be likely to use the transit, but also are very travelers the state and local areas are working hard to attract. Imposing high taxes on tourists and then expecting them to still spend money in Wisconsin and come back again sometime does not make sense.*
- *Authorizing these taxes would set a **dangerous precedent** for other areas of the state that may someday establish RTA's.*

The Wisconsin Innkeepers Association  
1025 S. Moorland Road – Suite 200  
Brookfield, Wisconsin 53005  
262-782-2851

Contact: Trisha Pugal, President, CEO ([Pugal@WisconsinLodging.info](mailto:Pugal@WisconsinLodging.info))

February, 2010