

# 2017 Legislative Priorities

## For State Legislators

Simply put, the members of The Wisconsin Hotel & Lodging Association (WH&LA) provide hospitality experiences and overnight accommodations to travelers away from home.

Wisconsin's lodging industry:

- Generates over **\$98 million** each year in **state sales tax revenue**
- Provides over **32,000 jobs**
- Is one of the primary segments of the state Tourism industry, an industry that **for every \$1 invested in state tourism marketing generates \$8 in tax revenue back to the state.**

The following are our key issues:

### ***1. RETENTION OF THE SCHOOL START DATE***

- AB 103, sponsored by Rep. Jim Ott, and SB 96, sponsored by Sen. Alberta Darling, proposes to eliminate the current September 1 School Start Date for K-12 public schools.
- The School Start Date is critical to the tourism industry in Wisconsin, as the month of August is the second highest in revenue generation for the tourism industry, meaning that an earlier start date would be detrimental to both the tourism industry and to the state budget due to lost sales tax revenue.
- There is no data that demonstrates that the School Start Date has a negative impact on the education of students.
- Legislation passed recently that removed the required number of school days, providing local school districts more flexibility in setting their school calendar.

POSITION: *We oppose AB 103 and SB 96, on the elimination of the current School Start Date.*

### ***2. STATE TOURISM MARKETING***

- Currently, the state Tourism Marketing Budget is considerably below the state budgets in Michigan and Illinois, causing our industry to lose marketing share to states that are reaping the benefit of investing more to attract tourists to spend their money in their states instead. In our state, for every \$1 spent by the state on tourism marketing, the state receives back \$8 in state tax revenue – an unrivaled return on investment!
- The Governor's Budget proposal reduces the state Tourism Budget by \$260,000 in the first year and \$200,000 in the second year. Even modest decreases in funding puts us further behind with our competitors, and reduces the growth in sales tax revenue for the state that tourism growth produces.

POSITION: *We ask for your support in seeking an increase of \$3 million over the two years of the biennium budget to ensure that Wisconsin gains back more of the tourist spending now going to our neighboring states.*

### **3. ELIMINATION OF THE PERSONAL PROPERTY TAX**

- Currently, in addition to the Property Tax assessed by municipalities on real property, municipalities have the authority to impose on local businesses a Personal Property Tax on property that can be moved from place to place.
- Personal Property Tax laws are confusing, irregular in the treatment of the same items used by different businesses, are burdensome on small businesses needing to hire experts to help them to follow the requirements in the law, and are a barrier to business growth.
- LRB-2081/1 and LRB-2548/1 are bill drafts being circulated for co-sponsorship by Representatives Bob Kulp and Dan Knodl and Senators Ducey Strobel and David Craig, which propose to eliminate the Personal Property Tax starting in 2018, and include a provision to assist municipalities in replacing lost revenue, similar to the subsidy for computers and computer-related equipment.

*POSITION: We ask for you to sign on as a co-sponsor of LRB-2081/1 and 2546/1 eliminating the Personal Property Tax in a fair manner, and for your help in getting this passed.*

### **4. SHORT-TERM RENTALS**

- Recently there has been a considerable increase in the rental of owner's homes, second homes, and investment properties to the traveling public, frequently through online rental services such as Airbnb, and other online platforms. This is a trend that is likely to continue to grow.
- While Wisconsin already has laws that require such rentals to be inspected for safety, licensed once they pass inspection, and that they collect and remit local room tax where applicable and state sales tax on their sales, many owners are not following the law. In some cases they may not be aware, but in many cases the rental platforms enable them to conduct business without following our laws or reporting or remitting tax.
- It is difficult to even estimate the amount of lost local room tax revenue and lost state sales tax revenue that is never reported or remitted by the owners renting to the public or by the online platforms processing the sales.
- When travelers in our state experience unsafe conditions or face personal liability from their paid overnight stays, it creates a negative perception of our entire hospitality industry. We all would be penalized by this perception, as on a daily basis we strive to welcome and deliver a positive memorable experience for travelers choosing to spend their money in businesses across our great state instead of going elsewhere.

*POSITION: We ask that you support measures that will ensure that Short-Term Rentals are equitably licensed and remit state and local taxes.*

### **5. TRANSPORTATION**

- The Transportation Budget is critical to the tourism industry in ensuring that travelers are able to travel safely and expediently around the state to invest in our local and state economy.
- Local roads as well as state highways require an appropriate investment in maintenance and development to enable safe vehicular travel.
- There are many funding and budgetary mechanisms currently under review and negotiation that are facing political challenges, which we hope can be resolved during the budget process.

*POSITION: We ask state legislators to work to enable sufficient wise investments in transportation in a timely manner to ensure visitors have safe and expedient access to tourism businesses around the state.*