

Cleveland tax could be among highest in nation

Cuyahoga County Council has proposed an additional **one percent lodging tax increase** for hotels there, which would make the total tax rate at checkout among the highest in the nation. Officials are emphasizing the fact that the increase is “only” one percent, but if passed, Cleveland’s total tax would be 17.5 percent on transient accommodations – equal to the high rates in Cincinnati and Columbus, and behind only a couple of cities in the nation with higher tax, as OHLA explained to local media.

Local media has reported that the revenue will benefit the Rock & Roll Hall of Fame and professional sports venues. While the lodging industry supports such efforts, OHLA pointed out that again other possible sources which share the burden with other industries were not considered.

Ultimately, the tax could benefit the Destination Cleveland CVB by offsetting dollars it contributes to the projects. OHLA examines lodging tax on a case-by-case business and will plan a short session to share information and gather input on the tax before council takes action in July. Email joe@ohla.org for info or to share your opinion.

Hamilton County considering favoritism agreements for short-term rentals

Reports from local partners indicate that despite **official concerns raised by OHLA and other entities**, tax officials in Hamilton County may be considering a so-called Voluntary Collection Agreement or similar instrument for the collection of taxes from short-term rental platforms such as Airbnb.

Problems with such agreements include underpayment of taxes, inability to audit, lack of accountability and oversight, secrecy, and preferential treatment for short-term rental platforms compared to the specific and codified method of taxing hotels and other lodging businesses.

The recent Supreme Court decision regarding Wayfair also renders such agreements obsolete, according to experts.

OHLA will discuss voluntary collection agreements and ways hotels can impact the discussion at the **Greater Cincinnati Lodging Council meeting on July 11.**

State legislature misses budget deadline, passes temporary spending measure

Final negotiations on the State of Ohio's two-year budget appropriations bill, HB166 moved mostly behind closed doors late in June as lawmakers attempted to work through the final weekend of the month to meet a Constitutional deadline of June 30 for passage.

Continuing differences between House and Senate versions led to a temporary budget and a promised return in mid-July to finalize details of the FY 20-21 spending plan.

House Speaker Larry Householder (R-Glenford) named Reps. Scott Oelslager (R-North Canton), Jim Butler (R- Dayton) and Jack Cera (D-Bellaire) to the Conference Committee that will create a compromise version of the bill. They are joined by Senators Matt Dolan (R-Chagrin Falls), Dave Burke (R- Marysville) and Sean O'Brien (D-Cortland).

The conference heard updated revenue forecasts from the Legislative Service Commission and Office of Budget and Management. The Governor's budget staff estimates \$24.13 billion in tax revenue for FY20, a \$116 million increase from March forecasts, and \$24.52 billion in FY21, a \$72 million increase from March. The legislature's budget office projects \$24.1 billion in FY20, a \$434 million increase, and \$24.55 billion in FY21, a \$260 million increase.

Ohio Governor Mike DeWine expressed confidence that the final version of the budget will reflect his administration's priorities and the needs of the state. DeWine told an audience in Columbus that the state budget focuses on those issues that affect all Ohio families, and touted how smoothly the process has gone.