

Short-term rental taxes require fair approach

One of the most challenging things about a key public policy priority - fair taxation of short-term rentals - is that Ohio's system of local lodging taxes requires interface and discussion with every local jurisdiction across the state which may be contemplating how they will apply existing taxes to these businesses.

A recent report in the national publication Wired explains in detail how the prevalent short-term rental platform, Airbnb, conducts its "[Guerrilla War Against Local Governments](#)." Airbnb pushes local governments to enter into so-called "Voluntary Collect in Agreements" which are secret, exempt from auditing and unfair. Among the pitfalls: local officials say the platform allows hosts to be "misled" about paying taxes, and engages in a "campaign of disinformation."

OHLA is working with local governments and other partners to provide options for tax policy that are fair and democratic, including the application of existing lodging taxes to transient accommodations rented via short-term rental platforms.

A few of the examples OHLA has on hand to illustrate how tax language can be adopted successfully into local codes are Chicago, San Francisco, Baltimore, New Orleans, San Diego and Palm Beach County. As this type of lodging business grows in Ohio, local governments here will be confronted with the same challenges and issues as jurisdictions in other parts of the country.

OHLA and its local councils and affiliates represent more than large, branded hotels. Our Unique Lodging of Ohio organization provides a voice and network for bed & breakfasts, inns, independent properties and lodging entrepreneurs who use multiple marketing channels, including short-term rental platforms and traditional booking methods.

OHLA will continue these efforts to implement fair tax policy and a level playing field for everyone selling transient accommodations. This will benefit our local communities, the destination marketing done by our local CVB partners, and provide revenue needed for critical local services.

Ohio Tourism Day / Ohio TourismWorks Advocacy Day at the capitol

TourismOhio, the state's official travel and tourism marketing office, has announced that [Ohio Tourism Day](#) will be Wednesday, May 8 at the Ohio Statehouse, in conjunction with National Travel and Tourism Week. The day celebrates Ohio's \$44 billion tourism industry and the businesses and professionals who contribute to the state's economy while making it a great place to visit, meet and do business.

The travel economy associations that represent many of the key partners and participants in Tourism Day will also hold their annual Statehouse Advocacy Day on May 8. Advocacy events will include a TourismOhio Advisory Board meeting, and visits with lawmakers and their key staff members. Save the date of May 8 for these events hosted by TourismOhio, OHLA, the Ohio Travel Association, the Ohio Association of Convention and Visitors Bureaus, and other travel economy partners.

Transportation Budget Includes Revenue for Needed Projects

The Ohio House of Representatives voted 70-27 and the Ohio Senate voted 22-10 in favor of the two-year state transportation budget. HB 62, Ohio's biennial transportation budget bill provides an estimated increase of \$865 million in the first year of the two-year budget, and substantial additional money from the GRF for public transit. HB 62 was passed with bipartisan support for a gas tax increase of 10.5 cents with a diesel fuel increase of 19 cents. Additional provisions include funding public transit at \$70 million and setting the fees for alternative and hybrid vehicles at \$200 and \$100 respectively.

OHLA supported more resources for road and bridge projects, to help address the deteriorating surface transportation infrastructure in our state. While the amount of funding is less than originally proposed by Ohio Governor Mike DeWine, the final compromise is considered a positive step for Ohio's roads and highways. This outcome comes after a focused and coordinated effort by all involved in the [Fix Our Roads Ohio Coalition](#), which included OHLA.

The tax increase will go into effect on July 1 and a greater percentage will flow to local governments in a new 55/45 state/local percent split, as opposed to the current 60/40 percent split.

Much noise was made in the media about the impact of an increase in gas/diesel tax, but the fact is the investment is worth it. A driver who travels 13,500 miles per year in a vehicle getting 25 miles per gallon, the new tax would cost \$57 more, or about \$1.10 per week. The fiscal impact on vehicle wear-and-tear, and lost business, is much greater.

New Joint Employer Rule Proposed

Joint employment standards have been problematic for lodging and other businesses since a 2015 decision by the National Labor Relations Board that redefined that relationship. The latest attempt to update this rule and limit the scope of liability was introduced this month by the U.S. Department of Labor. The [proposed new rule](#) would apply a test of four factors: whether the employer hires/fires the employee; supervises and controls the employee's work schedule or conditions of employment; determines the employee's rate and method of payment; and maintains the employee's employment records.

Factors that would be irrelevant under the new test include the right to control; economic dependence; and business models, practices and arrangements.

According to OHLA Allied Member Fisher Phillips, if the rule is adopted it would almost certainly mean that fewer businesses would be found to be a joint employer by a court or agency when it comes to minimum wage, overtime, and other similar liability under the Fair Labor Standards Act (FLSA). The Labor Department's move is in the same vein as the proposal unveiled by the National Labor Relations Board in September, which also aims to fundamentally alter the definition of joint employment in matters related to unionization purposes.

With the proposed rule's publication, the notice-and-comment process will begin at the U.S. Department of Labor. The agency will accept comments on the proposed rule for 60 days and will conduct public hearings and formal responses to substantive comments.