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S.260 Clean Water Bill  
House Ways and Means Committee  
Wendy Knight, Commissioner, Tourism & Marketing  
April 17, 2018

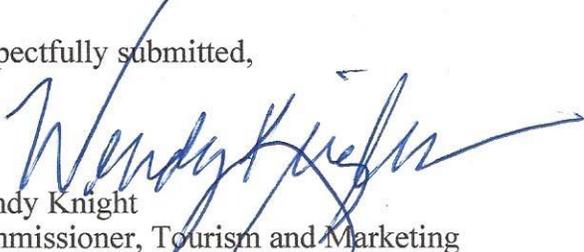
Vermont's tourism industry is essential to the state's economy. Each year, 13 million people visit Vermont contributing \$2.6 billion in spending to the state. Our tourism and hospitality sector is largely comprised of thousands of Vermonters, not national corporate brands, competing in a highly competitive market. Internet platforms, global competition, and the comparatively higher tourism budgets of neighboring states present competitive challenges for Vermont's innkeepers, hoteliers, and lodging property owners.

The proposed occupancy fee would be yet another fee, tax, or regulatory constraint that Vermont's hospitality establishment must bear. In addition to the rooms and meals tax, lodging properties are subject to property tax, income tax, Act 250 fees, ANR permit fees, health registration fee, fire and safety fees, unemployment taxes, and Worker's Comp taxes. This is a significant burden for the thousands of Vermonters, many of them couples and multi-generational families, that compete in a low margin, slow growth industry. These entrepreneurs operate lifestyle businesses and serve as ambassadors of Vermont's iconic brand. The tight margins of operating in this industry are demonstrated in deferred maintenance, closing inns and bed-and-breakfasts, and struggling chambers of commerce.

The State of Vermont already relies on the tourism industry to generate millions of dollars in tax revenue. The 9% rooms and meals tax brings in \$160 million in revenue annually. While we can pretend that an occupancy tax does not impact Vermonters, the lodging proprietors, innkeepers and workers can attest that it does. The industry employs more than 30,000 Vermonters. Leveling a new tax on visitors directly impacts Vermonters. Fewer visitors to Vermont translates to lower revenue for lodging properties, reduced hours and potential loss of work for workers, and declining tax revenues, which would continue to make Vermont unaffordable for Vermonters.

The Department of Tourism and Marketing strongly opposes the occupancy fee included in S.260 as it will negatively impact the State's vital tourism industry.

Respectfully submitted,

  
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Commissioner, Tourism and Marketing  
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