



ROOM TAX/TRANSPORTATION FUNDING

POSITION: The Pennsylvania Tourism & Lodging Association opposes legislation that would use hotel room tax revenue for transportation funding.

BACKGROUND: In June 2007, the PA House of Representatives passed a plan proposed by House Democrats that would allow counties and municipalities state-wide to levy several local taxes to gradually boost their share of mass transit funding from 13 to 20 percent to be eligible for state money. Under that plan, counties were authorized to impose a room rental tax of up to 1.5 percent to fund highways and public transportation systems.

STATUS: PTLA lobbied against this plan when the House considered House Bill 1590. The House approved the bill by a party-line vote of 102-101 (Democrats voting for it and Republicans against). House Bill 1590 was then referred to the Senate Transportation Committee. PTLA staff contacted key senators and expressed opposition to the room tax language. Both republican and democratic senators agreed the room tax provisions would be stricken from the bill. The Senate Transportation Committee amended and approved House Bill 1590 without the room tax provisions that were included in the House version. The Senate and House then passed the Senate version of bill. Governor Rendell signed HB 1590 into law as Act No. 44 on July 18.