



October 4, 2017

To the Honorable Members of the Regional Legislative Delegation:

We write this letter today in full understanding of the challenges of funding the Commonwealth's FY 2017-18 budget gap has presented. The Lancaster Chamber, Harrisburg Regional Chamber & CREDC, Greater Reading Chamber & Economic Development Corporation, and York County Economic Alliance are coming together, as a region, to strongly oppose a statewide increase to the hotel tax. If the increase happened, it could have an extremely negative effect on the state's economy. We urge you, as policy makers, to strongly oppose a statewide increase to the hotel tax.

This increase would make Pennsylvania hotel rooms the highest-taxed in the entire country. The state already has a 6% statewide hotel tax that. As a region we are urging you to acknowledge the devastating impacts a hotel increase would have on our ability to attract tourists to our communities. The lodging industry currently employs around 17,660 people at 442 hotels in Berks, Cumberland, Dauphin, Lancaster, and York counties.

A 5% tax increase on hotels would be devastating to the tourism industry and would certainly impair our region's efforts to attract and retain businesses and boost tourism. This sector of our regional economies pays an average of \$1,517,467,000 in annual revenue.

Of the 6 states that border Pennsylvania, 7% is the average lodging rate. Our fear is if this tax increase is imposed, Pennsylvania will see a shift in the sector of reliance in PA to moving to neighboring states, that do not have as high of a rate.

If Pennsylvania wishes to be a state that provides opportunity to business and welcomes tourism, then we suggest this tax will put the state at a competitive disadvantage. It is essential for Pennsylvania's economy for you to act now to oppose any hotel tax increase as part of the Commonwealth's final revenue package for FY 2017-18.

Sincerely,

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Lancaster Chamber

David Black
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Randy Peers
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