



Proponent Testimony SB 50  
Senate Assessment & Taxation Committee  
Scott Schneider, Hinkle Law Firm  
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Mr. Chairman and members of the committee, I am Scott Schneider and I am here on behalf of the Kansas Restaurant & Hospitality Association. We support the passage of HB 2513 because it properly realigns the taxation burdens on an exciting and changing marketplace.

The hotel marketplace has dramatically changed since we began taxing the transient guests in 1977. In January 20<sup>th</sup>, Jimmy Carter was sworn in as president, May 21<sup>st</sup> the Star Wars movie was released and on June 16<sup>th</sup>, the Oracle Corporation, now the second largest software company in the world, was incorporated.

The hospitality industry has also dramatically changed. For example, AIRBNB now has a \$110.38 billion market cap up \$75.38 billion from last year. To contrast, Marriott has a \$37.72 billion market cap down from \$47.8 billion last year. AIRBNB developed its market position in 13 years of existence while it took Marriott 94 years to earn theirs.

We have every confidence both business models are here to stay and can compete. However, these different models should be competing on equal footing and the state as a regulator should either tax both or tax neither. As with a few issues, Kansas should not worry about being first in assessing this tax. According to the recently published Multistate Tax Commission white paper, "The following states have enacted legislation requiring marketplace facilitators to collect and remit sales/use tax on facilitated marketplace sales (or for two states, giving marketplace facilitators the option to collect and remit tax or comply with notice and reporting requirements):

Alabama (2018 HB 470, option to collect or notice/report) Arkansas (2019 HB 576) Arizona (2019 HB 2757) California (2019 AB 147, 2019 SB 92) Colorado (HB 19-1240) Connecticut (2018 SB 417) DC (Internet Sales Tax Emergency Amendment Act of 2018) Georgia (2020 HB 276) Hawaii (2019 SB 396) Idaho (2019 HB 259) Indiana (2019 HEA 1001) Iowa (2018 SF 2417) Kentucky (2019 HB 354) Maine (2019 HP 1064) Maryland (2019 HB 1301) Michigan (2019 HB 4540, 4541, 4542, 4543) Minnesota (2017 HF 1, 2019 HF 5) Massachusetts (2019 H 4000) North Carolina (2019 S 557) North Dakota (2019 SB 2338) Nebraska (2019 LB 284) New Jersey (2018 A4496) New Mexico (2019 HB 6) New York (2019 S. 1509 Part G) Nevada (2019 AB 445) Ohio (2019 HB 166) Oklahoma (2018 HB 1019XX, option to collect or notice/report) Pennsylvania (2017 Act 43, 2019 HB 262) Rhode Island (2017 H 5175A, 2019 S 251) South Carolina (2019 SB 214) South Dakota (2018 SB2) Texas (2019 HB 1525) Utah (2019 SB 168) Virginia (2019 H 1722) Vermont (2019 H 536) Washington (2017 HB 2163, 2019 SB 5581) Wisconsin (2019 AB 251) West Virginia (2019 HB 2813) Wyoming (2019 SB 69).<sup>1</sup>

To conclude, the KRHA supports HB 2513 and treating those renting out rooms, either through a first party transaction or through a third party marketplace facilitator, with the same tax treatment.

<sup>1</sup> Wayfair Implementation & Marketplace Facilitator Work Group February 2020 White Paper, MTC UNIFORMITY COMMITTEE WAYFAIR IMPLEMENTATION AND MARKETPLACE FACILITATOR WORK GROUP, February 5, 2020