

111TH CONGRESS
1ST SESSION

S. _____

To establish a national standard prohibiting taxes on certain travel services.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To establish a national standard prohibiting taxes on certain
travel services.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. NATIONAL STANDARD FOR TRAVEL BOOKING**
4 **SERVICES.**

5 (a) IN GENERAL.—A State or a political subdivision
6 of a State may not levy or collect any occupancy tax or
7 lodging fee, directly or indirectly, on travel booking or
8 travel agency services provided by a travel agent or inter-
9 mediary, regardless of the terminology used to describe the
10 tax or fee or whether such tax or fee is imposed on a trans-

1 action or on a consumer, a travel agent or intermediary,
2 or a provider of sleeping accommodations.

3 (b) DEFINITIONS.—For purposes of this section—

4 (1) OCCUPANCY TAX.—The term “occupancy
5 tax” includes any tax imposed under the law of any
6 State (or a political subdivision thereof) on a pro-
7 vider, travel agent or intermediary, or consumer of
8 leased or rented sleeping accommodations that is
9 based on the payment for or the occupancy of such
10 accommodations by such consumer. Such term does
11 not include any generally applicable business tax
12 that is levied upon any transaction, or measured by
13 any factor, other than such payment or occupancy.

14 (2) LODGING FEE.—The term “lodging fee” in-
15 cludes any lodging or license fee, or any prorated
16 portion thereof applicable to a particular trans-
17 action, assessed by any State (or a political subdivi-
18 sion thereof) upon a provider of sleeping accom-
19 modations that is required to be paid in order for
20 such provider to be licensed or otherwise permitted
21 to provide such accommodations in the jurisdiction.

22 (3) TRAVEL BOOKING OR TRAVEL AGENCY
23 SERVICES.—The term “travel booking or travel
24 agency services” means any act—

1 (A) which is performed by a travel agent
2 or intermediary to facilitate the provision of
3 sleeping accommodations between a provider of
4 such accommodations and a consumer, and

5 (B) for which remuneration is in the form
6 of—

7 (i) a commission paid by the provider
8 of such accommodations, a facilitation fee
9 paid by the consumer of such accommoda-
10 tions, or both; or

11 (ii) the retention by such travel agent
12 or intermediary of the excess, if any, of—

13 (I) the total amount paid by such
14 consumer to such travel agent or
15 intermediary for such accommoda-
16 tions, including any facilitation fee;
17 over

18 (II) the total amount described in
19 paragraph (4)(B) with respect to such
20 provider.

21 (4) FACILITATION FEE.—The term “facilitation
22 fee”—

23 (A) includes all amounts charged or re-
24 tained for travel booking or travel agency serv-
25 ices, whether or not separately stated; and

1 (B) does not include those amounts remit-
2 ted to a provider of sleeping accommodations
3 (or an agent thereof) for furnishing or sup-
4 plying such accommodations (including any por-
5 tion of amounts paid to such a provider that is
6 intended to reimburse or indemnify such pro-
7 vider for an occupancy tax or lodging fee).

8 (5) TRAVEL AGENT OR INTERMEDIARY.—The
9 term “travel agent or intermediary” means any enti-
10 ty which receives remuneration for facilitating the
11 provision of sleeping accommodations and which is
12 not in the trade or business of being a provider of
13 sleeping accommodations. Such term does not in-
14 clude any entity if such entity is related (within the
15 meaning of section 267(b) or section 707(b) of the
16 Internal Revenue Code of 1986) to any other entity
17 which is in such trade or business or is a joint ven-
18 ture established by entities in such trade or busi-
19 ness.

20 (6) PROVIDER OF SLEEPING ACCOMMODA-
21 TIONS.—The term “provider of sleeping accommoda-
22 tions” means any entity which holds legal title to a
23 hotel or other sleeping accommodations or exclu-
24 sively manages all general daily affairs, operations,

1 and functions of a hotel or other sleeping accom-
2 modations.

3 (c) APPLICATION OF SECTION.—

4 (1) EFFECTIVE DATE.—This section shall take
5 effect on **【date of introduction】**.

6 (2) EFFECT ON EXISTING PROCEEDINGS.—

7 Nothing herein shall be construed to invalidate, viti-
8 ate, or otherwise interfere with any legal or adminis-
9 trative proceeding initiated prior to the effective date
10 of this section to collect a tax or fee assessed or ac-
11 crued before such effective date.