

Dear Mayor Bloomberg:

It has come to our attention that the New York City Council has passed, and you have signed, an ordinance that contains a provision to apply hotel occupancy taxes to travel agent service fees.

On behalf of ourselves and the American Society of Travel Agents' 11,000 members, we are dismayed that this legislation was rushed through without a public hearing or any other opportunity to provide our perspective on its impact on the travel and tourism industry.

Because we care deeply about the continued financial health of New York's entire tourism and business travel economy, **we urge you in the strongest possible terms to repeal this provision.**

Travel agent service fees are already subject to tax, both by the home state of any travel agent booking a room in New York City and by the federal government. If it is not rescinded, this provision would make New York the only city in the nation to impose a duplicate tax of this nature. Other states and localities have considered such a proposal, only to reject it due to its detrimental short- and long-term impact. The tax would send a profoundly anti-tourism message to the entire New York City travel industry and those who do business with it. Indeed, any additional marginal revenue increase would be more than offset by the decline in tourism from within and outside the city.

The loss of tourism revenue to the City is exacerbated by the unprecedented and unworkable burden created by the law's confusing "registration" process. From our perspective, informed by decades of combined experience booking travel to and within this city, the message this law sends to business and leisure travelers and travel sellers is loud and unmistakable: "stay away from New York City, and spend your money elsewhere."

We in the travel agency industry are already facing grave challenges. During these difficult economic times, people are thinking more carefully than ever about how to spend their limited travel funds, and many are delaying or cancelling long-planned vacations. The economic downturn and the swine flu outbreak have already made this travel season the most difficult within memory. To burden our industry with further taxation at this time would be a cruel blow.

We understand that New York City is looking for additional sources of revenue. However, discouraging people from visiting New York is not the right place to find it. We look forward to the opportunity to continue to market travel to New York City as an exciting, vibrant destination for our leisure and corporate customers.

Thank you for your attention. Please repeal this law.

Very truly yours,

CC: The Hon. Christine Quinn
Speaker, New York City Council