

Hamilton, Cassandra (TAX)

From: Peterson, Kristen (TAX)
Sent: Tuesday, October 19, 2010 11:50 AM
To: Hamilton, Cassandra (TAX)
Subject: FW: Study on the Feasibility of Implementing Senate Bill 452

From: Paul Ruden [mailto:PRuden@asta.org]
Sent: Tuesday, October 05, 2010 4:40 PM
To: Peterson, Kristen (TAX)
Subject: RE: Study on the Feasibility of Implementing Senate Bill 452

Dear Ms. Peterson:

I apologize for the brief lateness of this response but this is as fast as we could respond to a document of such length and complexity.

We have only two points to make. First, we associate ASTA with the comments filed by the Interactive Travel Services Association (ITSA) and Orbitz. Second, the report identifies one of the most troubling aspect of S. 452, namely, that the legislation would, as written, encompass traditional travel agency commissioned sales of hotel rooms by virtue of its expansive definitions of "accommodations intermediary" and "facilitating the sale." Applying hotel occupancy and sales tax to pure income in this fashion is at war with the intent and structure of the legislation and would be unworkable and counterproductive to the interests of the Virginia tourism establishment.

Thank you.

Paul M. Ruden
Senior Vice President
Legal & Industry Affairs
American Society of Travel Agents

From: Peterson, Kristen (TAX) [mailto:Kristen.Peterson@tax.virginia.gov]
Sent: Monday, September 20, 2010 4:49 PM
To: jmallan@jonesday.com; abezik@principle-advantage.com; delbrink@comcast.net; mitchell.bryk@starwoodhotels.com; pcarroll@arlingtonva.us; BCovey@sfc.virginia.gov; cdelapava@arlingtonva.us; sdelbianco@netchoice.org; bdendy@vectrecorp.com; medwards@vaco.org; annflan@principle-advantage.com; district24@senate.virginia.gov; Katie@vhta.org; thill@williamsmullen.com; kilday@visitloundoun.org; tlisk@eckertseamans.com; clloyd@mwcllc.com; RMatthia@vbgov.com; nmenkes@vml.org; Cindy.Ohlenforst@klgates.com; Foleary@arlingtonva.us; DelBPurkey@house.virginia.gov; jputney@dls.virginia.gov; drosenberg@dls.virginia.gov; Paul Ruden; asackler@interactivetravel.org; cshelton@williamsburgva.gov; aspinelli31@gmail.com; MVucci@dls.virginia.gov; rawarren@arlingtonva.us; district31@senate.virginia.gov; ryoung@dls.virginia.gov; 'cwhyte@vectrecorp.com'
Cc: haskins, mark (TAX); Mayer, Joseph (TAX); White, William (TAX)
Subject: Study on the Feasibility of Implementing Senate Bill 452

As you know, during the 2010 Virginia General Assembly Session, the Virginia Department of Taxation was asked to study and report on the implications of enacting legislation that would require online travel companies to compute the Retail Sales and Use Tax and local transient occupancy taxes on charges for accommodations based upon the total price paid for the use or possession of the accommodation, including any mark-up fees imposed by online travel companies. The "Study on the Feasibility of Implementing Senate Bill 452 is attached.

Please review the attached study and respond with any comments or suggestions regarding this study by close of business Friday, October 1, 2010. If you should have any questions as you review the material, feel free to email me or call me using the contact information below.

Thank you for the input you have already provided to assist in the development of this study.

Kristen D. Peterson
Office of Tax Policy, Policy Development Division
Virginia Department of Taxation
Main Street Centre, 15th Floor
600 East Main Street
Richmond, VA 23219
Phone: (804) 371-2340
Fax: (804) 371-2355