

## 2019 KTIA Legislative Agenda

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### Tax Reform Unintended Consequences

As adjustments are made to clarify the 2018 tax reform package passed by the KY General Assembly, the travel industry supports the following:

- Exempt nonprofit organizations from collecting sales tax on admissions and sponsorships.
- Eliminate double taxation encountered by tourists. This results from tour companies paying sales tax on the purchase of tour components from local attractions, a cost passed on to consumers, and then the consumer paying an additional sales tax on the overall tour price.
- Exempt fishing tournament fees and use of boat ramps from sales tax on “admissions.” (HB 29)

### Tourism Funding

Tourism generates immense economic activity, state and local tax revenue, and numerous jobs throughout all Kentucky regions. The industry produces a tremendous ROI via restricted marketing funds from local transient room taxes and a 1% statewide transient room tax, the only source of marketing funds for the Kentucky Department of Tourism. Those results are achieved while being at a disadvantage relative to competing states’ funding levels.

Despite the absence in small cities of a large number of hotels from which to generate adequate transient room tax funds, a tourism-dedicated restaurant tax in those cities fuels tourism in the regions in which they are located.

The Tourism Development Act (TDA) incentives have successfully grown Kentucky’s economy. Unlike many other incentives, revenue must be generated in order for attractions, hotels, convention centers, and distilleries to receive the benefits. These incentives are a win-win for Kentucky’s economy and taxpayers.

- In order to maintain tourism as a premier driver of Kentucky’s economy there cannot be a reduction, re-direction or repurposing of the 1% statewide transient room tax, local transient room tax, restaurant tax or TDA.
- We support efforts for additional investment in tourism marketing and development.

## **A Welcoming Kentucky**

The Commonwealth should remain open and welcoming to all visitors. Kentucky's communities and its people are characterized by warm hospitality and a welcoming attitude. These attributes are a driving force in attracting a large and diverse array of visitors to Kentucky and the economic benefits that result from those visits.

## **Tourism Workforce & Business Issues**

Tourism is a massive jobs creator for the commonwealth as evidenced by its nearly 200,000 jobs. Workforce issues are mounting for the industry; with many businesses experiencing severe shortages of available and capable workers. Workforce and broader business issues if left unaddressed will ultimately impair the industry's ability to generate the economic benefits that Kentucky receives from tourism.

- Unnecessary and burdensome restrictions should be eliminated.
- While no industry is immune from Kentucky's opioid epidemic and its workforce consequences, the tourism industry is one of the hardest hit. The tourism industry supports aggressive efforts to address the opioid epidemic.
- Support rider responsibility at theme and amusement parks. (HB 257)

## **Bourbon Visitor Experiences and Social Responsibility**

With bourbon experiences among Kentucky most iconic visitor attractions, KTIA joins with the Kentucky Distillers' Association in efforts to enhance those experiences and to also encourage responsible drinking.

- In parity with wineries, craft breweries and retailers, visitors to Kentucky's bourbon distillery visitor centers should be permitted to purchase exclusive bottles of bourbon. This often-requested opportunity by visitors, would be both a hospitable service as well as a memorable experience for the visitor. (HB 200)
- Kentucky's ignition interlock program should be strengthened as a means of promoting responsible drinking. This technology has demonstrated proven results in changing behaviors of people who repeatedly drive while intoxicated. (SB 85)

## **Kentucky Film and Entertainment Industry Incentive Program**

We support the use of film incentives to foster a strong Kentucky film industry and the increasing economic activity and jobs that will result from a growing film industry.

- The refundability of the program's tax credits should be restored.
- We support reducing the time frames within which approved companies have to start a production and the time they have to file for their credits.