



The Wrigley Building
410 North Michigan Avenue, Suite 900
Chicago, Illinois 60611
P / (312) 494 6700
www.chicagolandchamber.org

**Chicagoland Chamber of Commerce
Michael L. Reeve, Vice-President of Government Relations**

**Testimony Opposing Cook County Proposed 1% Hotel Tax
Monday, November 9, 2015**

President Preckwinkle, and Commissioners-

My name is Michael Reeve, vice-president of government relations for the Chicagoland Chamber of Commerce. Our over 1,000 members represent the breadth and diversity of this region's economic capital- their over 400,000 employees and \$24 billion in revenue. Our members include hotels and restaurants.

The Chamber opposes the County's proposed 1% hotel tax.

While it has been argued this tax would not significantly impact County residents because of tourists paying a disproportionate share- that is simply not accurate. The 11,000+ hotel employees who live in your districts, many of them union, stand the most to lose. Let me explain.

Chicago's current hotel tax rate is 16.4%. A 7% increase in the hotel tax by 1 percentage point to 17.4% is neither modest nor in line with our city competitors who will no doubt use it to lure convention and tourism business from Chicago, Rosemont and impact Cook County. For example, Orlando and Las Vegas have a more modest hotel tax rate of 12.0% and 12.5%, respectively. Throw in a lower sales tax rate in both cities, 6.5% and 8.10% respectively, and you have a real problem with luring convention and tourism business to Chicago and Cook County.

2016 is already shaping up to be a challenging year for our hotel and tourism industry because of the failed Olympic bid. Choose Chicago, our City's tourism arm, has laid-off 28 employees, closed its Mexico and Canada international offices, and ended its "Chicago Epic" summer campaign early because of the ongoing State budget impasse and its funding being frozen. Let's not make 2016 even more challenging by increasing our hotel tax another percentage point to 17.4%.

This proposed hotel tax must not be viewed in a vacuum.

The more than **11,000** hotel employees who live in Cook County, many union employees, will pay the ultimate share of this new hotel tax when tourism and convention business slows. Employees could see a reduction in hours and employees potentially being laid-off. ***This proposed tax would hurt the hotel employees that live and work in your districts.***

In July, the Chamber, among others, argued that the revenue discussion should have been part of the normal budget process. The reason in part was because it would give the County an opportunity to review its revenue and expenditures like any family in Cook County does, and not have to go back to taxpayers a second time in higher taxes, as it is doing today.

The Chamber remains opposed to the 1% hotel tax and encourages the County Board and the President to find more cuts, efficiencies, and opportunities for consolidation.

Thank you.