

Oppose the Proposed 1% Cook County Hotel Tax

BACKGROUND

- **County sales tax increase:** Cook County passed a \$474 million sales tax increase in July on businesses and consumers.
- **Chicago property tax increase:** Businesses and renters could end up paying over 50% of the recent \$588 million Chicago property tax increase.
- **2016 is a challenging convention and tourism year:** Due to the failed Chicago Olympic bid, 2016 will be a challenging year for recruiting convention and tourism business in Chicago and Cook County.
- **Choose Chicago:** Chicago's tourism arm laid-off 28 employees and closed its Mexico and Canada international offices amid the ongoing state budget impasse which has frozen its \$7 million funding. **A 1% County hotel tax will only make 2016 more challenging and our standing less competitive with our city competitors.**

WHY WE OPPOSE

- **Hurts hospitality and union hotel employees:** If tourists and convention business go elsewhere because of our high hotel tax, hospitality and union hotel employees will see cuts to hours and possible lay-offs to make up the loss in business.
- **Cook County becomes less competitive:** Chicago's hotel tax would jump from 16.4% to 17.4%- a 7% increase- significantly more than Orlando's 12.0% and Las Vegas' 12.5% rates. **Convention business will choose to go to our city competitors. A 7% increase is not modest.**
- **Revenue estimate of 1% hotel tax is \$31 million for a full year:** Cook County originally sought an amusement tax to fill a \$20.25 million budget gap. **Why is Cook County now seeking more than \$10 million MORE in taxpayer money?**
- **Second request for more tax money from County residents:** Many business and civic leaders argued during the sales tax discussion in July that any revenue request(s) should have been part of the normal budget discussion so the County would not come back to County taxpayers asking for more money. **Cook County should seek additional cuts, consolidations, and efficiencies before asking for taxpayer money a second time.**

2014 Facts on Chicago Tourism Industry:

- Over 50 million visitors
- More than \$14.1 billion in economic activity
- \$2 billion spent in hotels
- 190,000+ employees supported by the hotel and tourism industry
- More than \$1 billion in tax revenue generated

A proposed 1% Cook County Hotel Tax will hurt our competitiveness and not bring more people to our region, further hurting tax revenue and reducing the economic impact from tourists and convention business which supports Cook County hotel and tourism jobs.

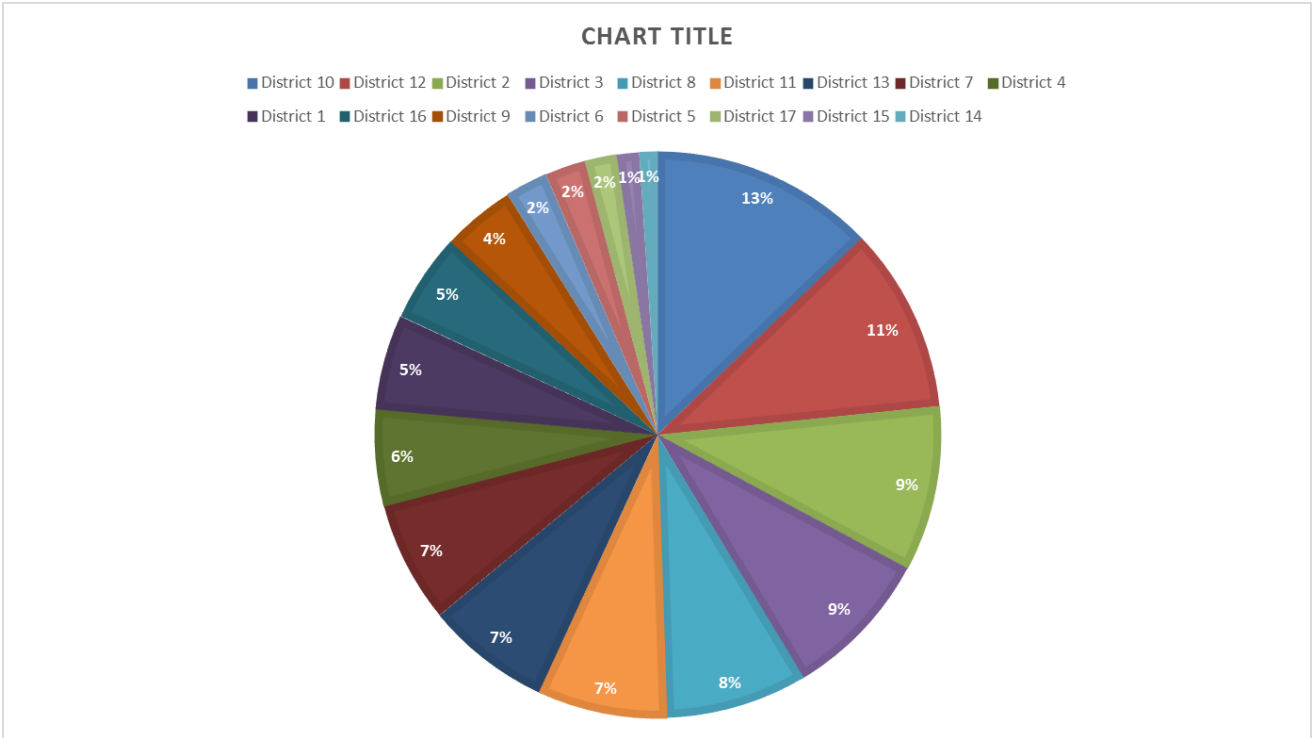
The best way to bring more people to visit our region and to support jobs is not a 1% hotel tax.



ILLINOIS
RESTAURANT
ASSOCIATION



(over)



Cook County Hotel Employees by Zip Code
11,605 employees are at risk

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|-----------|-------------|------|
| Gainer | District 10 | 1488 |
| Fritchey | District 12 | 1225 |
| Steele | District 2 | 1095 |
| Butler | District 3 | 997 |
| Arroyo | District 8 | 937 |
| Daley | District 11 | 861 |
| Suffredin | District 13 | 824 |
| Garcia | District 7 | 804 |
| Moore | District 4 | 638 |
| Boykin | District 1 | 629 |
| Tobolski | District 16 | 591 |
| Silvestri | District 9 | 482 |
| Murphy | District 6 | 282 |
| Sims | District 5 | 270 |
| Morrison | District 17 | 214 |
| Schneider | District 15 | 146 |
| Goslin | District 14 | 121 |