



Representative Andrew Gray

## **House Bill 220**

### **Sponsor Statement**

Alaska is the only state in the country that does not collect some sort of state revenue from tourist lodging. California and Nevada lack a formal statewide bed tax but collect state revenue from tourist lodging via other methods. House Bill 220 seeks to put Alaska on par with every other state by enacting a 6% statewide bed tax.

In 2019, the last normal tourism year prior to the COVID pandemic, we received approximately 2.5 million tourists – none of whom contributed to Alaska through state sales or bed taxes. HB 220 would capture this revenue so that the millions of visitors to Alaska can contribute to the services provided by the state. Legislative Research estimates that a 6% bed tax could generate a minimum of \$18 million annually for the state, creating a reliable source of revenue that will help address Alaska's fiscal woes. A six percent bed tax is the same as Texas and Florida. It is significantly lower than Connecticut's, which is 15%, and Hawaii's, which is over 14%.

HB 220 is a commonsense measure to join the rest of the country in enacting a statewide bed tax to generate revenue from our robust tourism industry. To not do so is leaving money on the table.