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GBTA REVEALS BEST AND WORST TRAVEL TAXES ACROSS TOP 50 U.S. DESTINATIONS

As Cash Strapped Cities Seek to Reduce Debt, the Burden Increasingly Falls on Business Travelers

GBTA Also Warns Against Potential TSA Tax Increase

Alexandria, VA (December 10, 2013) – Taxes levied specifically on travel-related services increased the total tax bill for a traveler by 58% in 2013, according to a new report released today by the GBTA Foundation, the education and research arm of the Global Business Travel Association (GBTA). The annual study examines hotel lodging, car rentals and restaurant meal taxes in the top 50 U.S. destination cities, which are regularly used to fund local projects unrelated to tourism and business travel.

GBTA executive director and COO Michael W. McCormick said, "Unfortunately, it's not just state and local governments that see business travelers as their cash cow -- the federal government is getting in the game. This week, Congress may consider a doubling of the TSA aviation security tax. Instead of driving TSA efficiencies that curb spending, Congress' solution is to double the amount travelers pay. Road warriors strengthen the economy, create jobs and drive economic security. Yet governments insist on treating travelers like their ATM. These types of punitive travel taxes will ultimately push business travelers to stay home, and we all pay when governments take a short-sighted approach that raises the costs for business travel."

The study presents several views of travel taxes to help readers make informed choices. The top 50 markets are ranked by overall travel tax burden, including general sales tax and discriminatory travel taxes, and by discriminatory travel tax burden, excluding general sales taxes to count only taxes that target car rentals, hotel stays and meals.

Total Travel Tax Burden

The top 10 U.S. cities where travelers incur the highest total tax burden in central city locations, factoring in general sales taxes and discriminatory travel taxes, are:

Rank in 2013	Highest Total Tax Burden	Combined single day travel taxes	Rank in 2012
1	Chicago, IL	\$41.04	1
2	New York, NY	\$38.65	2
3	Minneapolis, MN	\$36.70	6
4	Kansas City, MO	\$36.61	4
5	Indianapolis, IN	\$36.00	8
6	Cleveland, OH	\$35.41	7
7	Boston, MA	\$35.32	3
8	Seattle, WA	\$35.11	5
9	Nashville, TN	\$34.75	9
10	Houston, TX	\$34.18	10

The top 10 U.S. cities where travelers incur the lowest total tax burden in central city locations, factoring in general sales taxes and discriminatory travel taxes, are:

Rank in 2013	Lowest Total Tax Burden	Combined single day travel taxes	Rank in 2012
1	Fort Lauderdale, FL	\$22.61	1
2	Fort Myers, FL	\$22.61	2
3	West Palm Beach, FL	\$22.61	3
4	Detroit, MI	\$22.80	4
5	Portland, OR	\$22.86	5
6	Orange County, CA	\$23.61	6
7	Burbank, CA	\$24.59	7
8	Honolulu, HI	\$24.67	9
9	Ontario, CA	\$24.93	8
10	Orlando, FL	\$24.94	10

Discriminatory Travel Tax Burden

Discriminatory travel taxes are those imposed specifically on travel services above and beyond general sales taxes. California and Florida are among the states with the lowest discriminatory travel tax rates in the country.

The top 10 U.S. cities with the highest discriminatory travel tax rates in central city locations are:

Rank in 2013	Highest discriminatory travel tax rates	Discriminatory increase over general sales tax	Rank in 2012
1	Portland, OR	\$22.86	1
2	Boston, MA	\$19.34	2
3	Indianapolis, IN	\$18.10	3
4	Minneapolis, MN	\$17.46	6
5	Chicago, IL	\$17.39	4
6	New York, NY	\$15.96	5
7	Washington, DC	\$15.61	11
8	Kansas City, MO	\$15.26	7
9	Charlotte, NC	\$15.16	8
10	Milwaukee, WI	\$15.04	10

The top 10 U.S. cities with the lowest discriminatory travel tax rates in central city locations are:

Rank in 2013	Lowest discriminatory travel tax rates	Discriminatory increase over general sales tax	Rank in 2012
1	Burbank, CA	\$1.56	1
2	Orange County, CA	\$3.16	2
3	Ontario, CA	\$4.48	3
4	San Diego, CA	\$5.27	4
5	Oakland, CA	\$5.79	6
tie	Tampa, FL	\$7.27	7
tie	Fort Lauderdale, FL	\$7.27	8
tie	Fort Myers, FL	\$7.27	9
tie	West Palm Beach, FL	\$7.27	10
10	Los Angeles, CA	\$7.37	5

"Municipalities are under pressure to raise revenue wherever they can, but imposing too heavy a tax burden on business travel is a shortsighted strategy," said Joseph Bates, GBTA Foundation Vice President of Research. "With taxes rising in every area of society, companies and travel managers are taking an increasingly hard look at the price they're being asked to pay to visit any given city or region."

"Rising car rental taxes helped boost travel taxes among cities where travelers already face some of the highest total tax burdens in the country. The recent 3% increase in the Motor Vehicle Rental Tax in Minneapolis and the 2% increase in the Auto Rental Excise Tax in Indianapolis pushed these cities toward the top of the high-tax group for 2013," continued Bates.

The complete list of the top 50 U.S. destinations offers detailed insight for travel managers interested in understanding the impact that these taxes have on their business travel spend. This list is available exclusively to GBTA members by clicking [here](#). Non-members may purchase the report by emailing pyachnes@gbtafoundation.org.

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About the Global Business Travel Association

The Global Business Travel Association (GBTA) is the world's premier business travel and meetings organization headquartered in Washington, D.C. area with operations on six continents. GBTA's 7,000-plus members manage more than \$345 billion of global business travel and meetings expenditures annually. GBTA and the GBTA Foundation deliver world-class education, events, research, advocacy and media to a growing global network of more than 28,000 travel professionals and 125,000 active contacts. To learn how business travel drives business growth, visit gbta.org