



Hotel Industry Relief & Recovery Policy Options

The following options represent a growing list of policies for state and local governments to consider for the short-term relief and longer-term recovery of the hotel industry. Some policies may not be adaptable to certain jurisdictions.

- **Tax Flexibility**

- Retroactive to March 1, 2020, institute a three-month deferral of state and local indirect taxes with waiver of interest and penalties. The state and local indirect taxes include but are not limited to hotel occupancy tax, sales tax, use tax, excise tax, gross receipts tax, etc. As part of this deferral, also defer the corresponding monthly tax filing related to the state and local indirect taxes.
- Suspension of any requirement to prepay X% of estimated sales tax liability based on collections from same month in previous year.
- Retroactive to March 1, 2020, institute a six-month deferral of property tax payment with waiver of interest and penalties.
- Retroactive to March 1, 2020, X-month deferment of state income taxes, with no interest and penalties on employer share of payroll tax.
- Retroactive to March 1, 2020, authorize 2020 employer state payroll deferral, with 50 percent of the liability due in 2021 and 50 percent of the liability due in 2022.
- Authorize state payroll tax credit, similar to federal tax credit, for payment of leave mandated by Families First Act.
- Allow corporations experiencing coronavirus-related financial distress to defer 2020 estimated income tax liability to July 15, 2020 with waiver of interest and penalties.
- Allow a five year-carryback of the Net Operating Loss (NOL) deduction incurred in 2018, 2019 or 2020, and no limitation on percentage utilization in a given year.
- Business interest relief which conforms to Section 163(j) of the Internal Revenue Code.

- **Direct Financial Relief**

- Rent or mortgage payment forbearance/abatement, no commercial evictions for X days.
- Business insurance relief
- Bridge loans (like [DE](#) and [FL](#)) and grant programs (like IL)
- Hospitality Industry Recovery Fund (similar to March 31, 2020 [federal request](#))

- **Job Protection and Labor**

- Unemployment Insurance – clarity and transparency around processes (such as: access improvements, online applications and instructions, appeals process, etc.)
- Employee Reinstatement Credit – to expedite process of bringing associates back onto the payrolls (adapt from federal employee retention credit language)
- Deferred implementation of new business mandates (e.g. predictive scheduling)



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- **Legal**
 - Indemnification for hotels (owners, operators and brand franchisors) used for alternative uses as well as other tort protection vis a vis coronavirus.
 - Designate hotels as “essential businesses” so they can continue to provide shelter to first responders, the healthcare community and vulnerable populations.

- **Recovery Incentives**
 - Destination marketing fund enhancement
 - Elimination of any state and local indirect taxes for three months, where appropriate and without negative impact on broader destination marketing
 - Temporary travel tax credit for both business and leisure travel