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# Robbing Midland to pay Dallas and vice versa

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Taxing out-of-towners may be a popular way to support local tourism, but experience teaches that the costs and benefits are not so straightforward.

Summers are always a great time to vacation. Even if the destination is but two towns away, there's something to be said about having the chance to leave responsibility behind. The humdrum of daily labor doesn't seem so unbearable when it's tempered by the memory of relaxing by the beach or exploring the hiking trails of the state's still untouched wilderness.

Texas doesn't make vacationing easy, though. Oh, there are attractions aplenty. One of the state's top slogans is "Texas. It's like a whole other country." And as USA Today playfully reminded, "it ain't braggin' if you can back it up." Travelers never want for distractions when they share in Texas' heritage. Residents, likewise, never have to journey far in order to sample the wonders that the Lone Star State has to offer.

The challenge is being able to afford the price of a hotel, especially when state and local governments insist on foisting heavy taxes on paid room accommodations because they believe it will spur economic growth at little cost to residents.

Hotel occupancy taxes are a mechanism by which lawmakers support the state's tourism industry. Travelers pay a premium on top of their hotel bill, which is then fed into marketing campaigns, convention centers and special events.

The idea behind the tax is that travelers would subsidize the very projects that enticed them to visit Texas in the first

place. Tourism has been a great boost to the economy, and hotel occupancy taxes attempt to expand the industry and then filter the revenue down into the local population.

There are at least three practical problems with this approach.

First, the tax can disrupt the travel arrangements of Texans the same way it affects out-of-towners. Hotel occupancy taxes have inched upward of 17 percent in some cities, in part because the taxes mainly target non-constituents.

On a city-by-city basis, that may be true. A substantial portion of the tourism industry, however, is driven by Texans who cannot afford to travel to more exotic locales or who simply wish to experience for themselves the landmarks in which Texans take such great pride.

Cities, therefore, can siphon money from non-residents, but their residents face the same burden when embarking on their own getaways. Every Texan becomes a tourist once he or she visits another city, and every dollar exhausted on accommodation expenses makes their metaphorical suitcase one pound harder to carry. The cities aren't tapping into free money so much shuffling it between each other.

Second, jacking up accommodation costs often spurs travelers to curtail their spending elsewhere on the trip. This is basic household economics. If travelers earmark a set budget for their vacation, then their likely reaction to an uptick in hotel prices — via hotel occupancy taxes — is to shorten their stay or to minimize the number of excursions. The U.S. Travel

Association found that 49 percent of surveyed travelers altered their plans on account of high taxes.

Maybe this crimp on Texas vacations would be worth it if the tax achieved all that its supporters said it would, but that brings us to problem No. 3.

Hotel occupancy taxes do not always have enough of an impact on tourism to

offset the decline in spending. Convention centers habitually fail to attract the projected number of visitors that justified their construction. In addition, much of the money is allocated to events that would've taken place in Texas with or without the incentive.

Put another way, the burden is often disproportionate to the gain, and there are too few safeguards in place to ensure that the money is not wasted.

Texans are blessed in that they can have wonderful vacations in-state. But, when governments impose burdensome taxes, pennywise trips can become just as inaccessible as an exotic adventure. The hotel occupancy tax can push a planned vacation into a higher price-range, getting in the way of Texans and the holiday of their choice.

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*Those who may take issue with this op-ed and might want to submit their own take on hotel taxes can contact Editor Stewart Doreen at 687-8856 or sdoreen@mrt.com.*