



## AMERICANS FOR TAX REFORM

Grover G. Norquist

President

June 30, 2004

Dear Senator,

I am writing to express my concern for Massachusetts House Bill 4485. Sections 48 and 49 of this Bill would impose a new tax on Internet hotel reservations. The Senate version of this bill does not include these provisions, and for that I thank you. **I urge you to continue to oppose these stipulations that would be detrimental to the Massachusetts economy and impede technological innovation.**

**HB 4485 sets a dangerous precedent by opening the doors to internet taxation.** The rapid growth of the internet has added efficiency to the economy and has increased competition. The internet has benefited both consumers and hotels by driving prices down and maximizing occupancy. By opening the doors to internet taxation, HB 4485 threatens a thriving industry that is utilized by thousands of consumers and entrepreneurs everyday.

**HB 4485 not only hurts the third largest industry in Massachusetts – tourism – but also harms the numerous small businesses and industries that are affected by tourism on a daily basis.** As tourism declines because of the hotel tax, area restaurants and entertainment venues will feel the effects as well. This creates a domino effect, risking the jobs of the people of Massachusetts.

Simply put, tax increases are bad policy. They place a strain on hard-working families and small businesses instead of finding alternative solutions to budget problems.

Americans for Tax Reform stands ready to assist you in any way to keep this tax from unjustifiably burdening hardworking families. **While in conference, we urge you to oppose Section 48 and 49 of House Bill 4485.**