

Destination Gettysburg Column
By Carl Whitehill
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Making sense of Adam's County's Lodging Tax

The lodging tax in Adams County is often misunderstood. Often, its purpose, its use and its allocation are conversations heard throughout the community – even among elected officials who question who the rightful owner of this revenue really is or should be.

Back in the late 1990s, Destination Gettysburg – known then as the Gettysburg Convention & Visitors Bureau (CVB) – sought to find a way to fund tourism marketing in Adams County. At the time, like most of the 49 other destination marketing organizations across the state, the CVB relied on membership dues and an annual state grant that faced an uncertain future as state tourism money became more scarce.

When developing the plan to implement a county lodging tax, the foremost concern was creating a funding stream generated by the visitors themselves, rather than making tourism marketing the responsibility of local and county government, local businesses and local residents of Adams County.

In other words, tourism would support tourism.

The proposal had overwhelming support from hoteliers in Adams County who believed that a tax assessed to overnight visitors had a minor impact on their guests but provided a major benefit to tourism marketing.

When the tax was officially adopted in 2001, by county ordinance and state law, it assessed a 3-percent tax onto visitors' overnight stays at hotels/motels, bed and breakfasts and campground cottages – meaning a visitor paying \$100/night on a hotel room, would pay an additional \$3 as the lodging tax.

In 2012, again under state law, the tax was increased to 5 percent in order to make up for the complete loss in state funding to destination marketing organizations across Pennsylvania.

In 17 years, the lodging tax in Adams County has generated nearly \$23 million – all paid by overnight visitors to our community.

When the lodging tax is collected from visitors and turned in by accommodation properties on a monthly basis, a percentage is first paid to the Adams County government to administer the tax through the county treasurer's office. This administration fee has amounted to more than \$1.1 million since the lodging tax was adopted.

The remainder of the lodging tax revenue is then split between Destination Gettysburg (75 percent), the Adams County Government (12.5 percent) and local municipalities that have both a police department and lodging (12.5 percent). These municipalities include the Borough of Gettysburg, Cumberland Township and Carroll Valley Borough, among others.

This formula was negotiated in 2012 by state legislators, and county commissioners and Destination Gettysburg in order to provide local government with additional funding for law enforcement and economic development, while at the same time ensuring that Destination Gettysburg had the marketing

money it needed to sustain tourism as a top industry with \$686 million in spending, \$135 million in tax revenue and 7,500 jobs.

The tourism marketing money was, and remains, a necessity for attracting visitors and keeping revenue coming into our community. Without the marketing money, the tourism industry faced an uncertain future in Adams County.

If that marketing money that Destination Gettysburg receives were to be directed elsewhere, perhaps entirely to local municipalities as some have suggested, the industry would suffer significantly – causing a drop in visitation, revenue and taxes coming into our community.

For more about the lodging tax, the local tourism industry as well as snapshots of tourism-related businesses and employees within the industry, visit www.GettysburgTourismWorks.com.

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