



JULY 20–22, WASHINGTON, D.C.

# 2021 Virtual Action Summit

## HOTELS POWER AMERICA'S ECONOMY

Before the pandemic:

- U.S. hotels supported more than 1 in 25 American jobs—8.3 million in total
- Nearly 6 in 10 U.S. hotels were small businesses
- The hotel industry contributed nearly \$660 billion to U.S. GDP
- A hotel with 100 occupied rooms per night supported nearly 250 local jobs
- \$186 billion went back to communities through local, state and federal taxes

## COVID-19 DEVASTATED HOTEL EMPLOYEES AND SMALL BUSINESS OWNERS

- 21 of the top 25 U.S. hotel markets were in a depression or recession in May
- Government-issued travel bans and restrictions wiped out 10 years of hotel job growth
- The leisure and hospitality sector has lost 2.5 million jobs that have yet to return
- Business travel—which accounts for more than half of hotel revenue—is down 75% from 2019 levels and is not expected to return until 2024
- Major events, conventions and business meetings throughout the U.S. have already been canceled or postponed until at least 2022

**Despite being among the hardest hit by the pandemic, hotels are the only segment of the hospitality and leisure industry yet to receive direct COVID-related aid.**



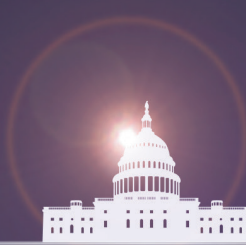
### ABOUT AHLA

The American Hotel & Lodging Association (AHLA) is the sole national association representing all segments of the U.S. lodging industry. Headquartered in Washington, D.C., AHLA focuses on strategic advocacy, communications support and workforce development programs to move the industry forward. Learn more at [www.ahla.com](http://www.ahla.com).



### ABOUT AAHOA

AAHOA is the largest hotel owners association in the world. The nearly 20,000 AAHOA members represent almost one in every two hotels in the United States. With billions of dollars in property assets and hundreds of thousands of employees, AAHOA Members are core economic contributors in virtually every community. AAHOA is a proud defender of free enterprise and the foremost current-day example of realizing the American Dream. Learn more at [AAHOA.com](http://AAHOA.com).



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## Hotel workers and small business owners need Congress' help.

### **Cosponsor and Pass the Save Hotel Jobs Act (S.1519/H.R.3093)**

Focused solely on saving hotel jobs, the bipartisan Save Hotel Jobs Act would be a lifeline for hotel employees, providing the assistance needed to keep working and keep the lights on until travel, particularly business travel, returns to pre-pandemic levels.

The bill, which is supported by both the hotel industry and UNITE HERE, the largest hospitality workers union, would create a payroll support program to assist hotels and hotel workers that have been hit the hardest by the pandemic.

- The bill would provide three months of payroll support per hotel property
- Funds would be limited to hotels that experienced a revenue decline of at least 40% compared to 2019 levels
- Funds can only be used for employee payroll and benefits

### **Cosponsor and Pass Bills to Establish Fair Per Diem Rates (H.R.2104/S.2160)**

Each year, the General Services Administration (GSA) sets a per diem rate to reimburse employees' lodging expenses for official travel within the continental U.S. Normally, GSA calculates per diems based on the average daily rate (ADR) from the previous fiscal year, less five percent.

As a result of pandemic-related shutdowns, capacity restrictions and safety precautions, calculating per diem rates using 2020 data would lead to an artificially low rate that would only exacerbate the economic crisis facing hoteliers.

This commonsense legislation would ensure a fair rate calculation by directing GSA to base per diem rates on data from 2018 and 2019, prior to the pandemic's devastating impact on travel.

### **Allow Hoteliers to Access ERTC**

The Employee Retention Tax Credit (ERTC) is a tax credit intended to help small businesses attract and retain employees during the pandemic, but many hoteliers cannot access it due to the complex structure of our industry.

Enacted through the CARES Act of 2020, the ERTC allows small businesses a refundable employment tax credit of up to \$7,000 per employee per quarter. ERTC eligibility is based on the employer of record, which in the hotel industry is often a third-party management company. Even though hotel owners are ultimately responsible for all operating costs of the hotel, including payroll, they are often not eligible for the ERTC. Management companies with more than 500 employees are also ineligible.

Please sign onto the letter drafted by Sen. Jacky Rosen and Rep. Stephanie Murphy asking the Treasury Department and the IRS to make an administrative change to the ERTC to base eligibility on the number of workers at the hotel property level so hoteliers can access the important tax benefit.