

Leonhardt, Ronald

From: Jennifer Houdyshell [wibta@yahoo.com]
Sent: Thursday, March 15, 2007 10:46 AM
To: City of Milwaukee
Subject: 650% Increase in Rental Car Tax is Unacceptable

Jennifer Houdyshell
4397 South 35th Street
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March 15, 2007

City of Milwaukee
200 East Wells Street
Milwaukee, WI 53202-3515

Dear City of Milwaukee:

I am writing in response to the Southeastern Wisconsin Regional Transit Authority proposal to increase taxes on rental cars by \$13.00 from \$2.00 for a total of \$15.00 per transaction. The reasons cited for funding this expansion through a dramatic increase on rental car taxes are based on the myth that such taxes are painless for local companies and residents and erroneously sold to constituents as "travel taxes." In reality, these taxes burden local businesses as much or even more than out-of-towners.

As a member of the Wisconsin Business Travel Association, we represent over 150 corporations, statewide, that spend millions of dollars in car rental fees. WIBTA sampled 10 of our local members and found that collectively, they purchased more than 15,000 rental cars per year in this region. An increase of \$13 per rental, nets to almost \$200,000 in additional T&E expense, which directly impacts their budgets. I am sure you can do the math on what the numbers will look like on a broad level.

It has been stated by supporters of the project that the tax will not affect local corporations and therefore "It's not a tax that's going to be noticed much by their constituents". Most of those constituents work for those same corporations that rent cars in the area and I would bet that they will notice an increase in expenses.

Additionally, comments stating the tax is "practically painless" is inaccurate; it's very painful. It's painful for corporations that will have to increase their budgets resulting in decreased profitability. It's painful for the individual traveler who works to follow their travel policy and reduce expenses. It's painful all the way around.

I am very concerned with Regional Transportation Authority's lack of forethought and the mischaracterization of the impact of the tax. The Wisconsin Business Travel Association and our parent company, National Business Travel Association, which represents more than \$170 Billion in travel spend, will be taking action.

Sincerely,

Jennifer Houdyshell
414-281-2629