

## Money grab? Tennessee town increased tourist tax for no specific purpose

Chris Butler

September 2, 2015

Anybody traveling through Columbia now pays a whopping 20 percent hotel tax, but local politicians responsible for the exorbitant rate don't seem to have a plan for what to do with all that extra money — nearly half a million in the next fiscal year alone.

That's part of a trend in Tennessee and elsewhere in which politicians tax out-of-town hotel visitors to pay for pet political projects — often for some vague tourism purpose — rather than increase taxes on their own constituents.

The already high rate of 15 percent in the Maury County town was increased to 20 percent last month by the Columbia City Council.

Columbia Mayor Dean Dickey, the city manager, and all city council members did not respond to repeated requests for comment Monday and Tuesday.

But city assistant finance director Danny King told Tennessee Watchdog that Columbia “has no specific plans” on how to use the money, an estimated \$400,000 in fiscal year 2015-16.

Hitash Patel, who runs the city's Fairfield Inn and Hampton Inn, said city officials seem to be “winging” it.

“They even came to us and said they wanted our ideas on what we think they should do for tourism,” said Patel, noting most of his patrons have the option to use hotels in other counties to save money. “Evidently, they didn't do any homework before they considered raising taxes.”

Patel said he believes city officials want to use some of this money to renovate the home of 11th U.S. President James K. Polk, whose family's ancestral home is in Columbia.

The Polk home receives state and local funding, but not federal money, [according to its website](#). “We've tried to fight it, but they just don't get it — that we're not here just for raising taxes. We have spent a lot of money here to develop hotels to provide a need. But, still, they just want to target us to make themselves look better,” Patel said.

Doug Boehms, owner of Columbia's Richland Inn, said members of Columbia's City Council have a “robber baron attitude.”

“This tax is a killer is what it is,” Boehms said.

“This city has a greed instinct. All they want is money. I guess they’ve got me for it. It won’t be anything constructive to the motel industry. They say it’s for tourism, but that’s counter-intuitive. If they’re trying to make tourism good they’d be reducing taxes. They’re just using that as an excuse to raise taxes.”

Boehms said most of his patrons are construction workers, contractors and people visiting relatives, whereas Patel said most of his clients are people passing through.

Most of their clients wouldn’t be considered tourists, both men said.

Chris Edwards, an economist with the Cato Institute, told Tennessee Watchdog on Tuesday that what Columbia officials did is “good politics, but not good economics.”

“If this was a direct tax on beer for no specific or important purpose then the people would revolt,” Edwards said.

“Good tax policy is imposing taxes that are transparent and visible to voters. The problem with hotel taxes is they’re not transparent. Most citizens don’t see them. People should know what the cost of government is.”

[As previously reported](#), officials in Memphis used revenue from hotel taxes to renovate the city’s pyramid into a Bass Pro Shops resort.

Memphis City Council member Myron Lowery even told Tennessee Watchdog that tax revenue from tourists is not really taxpayer money.

“Here in Memphis we call it taxpayer money only when it’s taken from the taxpayers who live in our local area,” [Lowery said in 2013](#).

Nashville officials [used tourism taxes to pay for the city’s new \\$585 million convention center](#).