

Dear Airbnb Host,

There have been a couple of issues that have arisen that involve Airbnb and the tourism industry, and I thought it might be helpful for me to explain those to you, so you have complete and accurate information.

The first is that Airbnb has refused to pay the local transient room tax in accordance with a law that went into effect in January of 2023. Those funds are the lifeblood funding of our work to promote visitation to Powell County and the Red River Gorge. Airbnb sometimes claims they are paying the tax, but that is only the statewide transient room tax, state sales tax and the local tax in six Kentucky locations they “volunteered” to pay before the revised law was passed. But they are not paying the local transient tax here, nor in the large majority of other locations throughout the state.

Unfortunately, their failure to make those payments had to result in a lawsuit filed by the Kentucky Travel Industry Association (KTIA) and the Kentucky League of Cities (KLC), the purpose of which is for the court to simply and clearly establish that Airbnb is required by law to pay the local tax. The lawsuit is still pending.

At times, Airbnb actually acknowledges that they are not paying the tax saying that it is too difficult for them to do so, and claiming that it creates an “undue burden.” That argument is undercut by the fact that VRBO is complying with the law and pays all local transient room taxes in Kentucky.

That leads to the second issue I’d like to explain. Airbnb is pursuing legislation in Kentucky that would limit the extent to which local governments can regulate short term rentals. We have concerns about this approach because we believe decisions about short-term rentals are best made at the local level, where community needs, housing conditions, and tourism impacts can vary widely. Local control allows communities to strike the right balance—whether that means adopting reasonable guidelines or choosing not to regulate at all—based on what works best for their residents and homeowners.

In addition to that basic point, we also believe that the legislature should not enact a law for Airbnb, when that very same corporation is ignoring the law passed just a few years ago requiring them to pay the local transient tax.

As a final point to all this, Airbnb often cites their importance to the tourism industry. We don’t disagree with that, and certainly we have great respect for you as a host. But it is very

difficult for us to embrace as a tourism partner a company that refuses to support tourism by paying legally required funds that are essential to tourism's success.

We are not asking you to take sides on these issues, although Airbnb is likely to do so, if they haven't already. If, however, you would like to become involved in support of our positions we would certainly welcome that.

Thank you very much for considering our views on these issues and if you have any questions, please don't hesitate to reach out. I am available and have an open-door policy at the Red River Gorge Visitor Center at Slade.

Sincerely,

Pete Fingerson

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