



February 9, 2026

The Honorable Richard C. Sullivan, Jr.
Virginia House of Delegates
General Assembly Building, Room 908
201 North 9th Street
Richmond, VA 23219

Dear Delegate Sullivan:

On behalf of the Travel Technology Association (“Travel Tech”) and our members, we respectfully submit the following comments regarding House Bill 900 (“HB 900”). Travel Tech represents leading innovators in travel technology, including online travel agencies, metasearch companies, travel management companies, and travel software platforms that connect consumers with lodging, transportation, and other travel services across the Commonwealth.

Our members play a significant role in Virginia’s travel and tourism economy by empowering consumers with choice and transparency, supporting competition among suppliers, and facilitating efficient, tax-compliant transactions across multiple booking channels. Travel Tech recognizes the Commonwealth’s interest in ensuring adequate and reliable revenue to support critical transportation and transit investments, particularly in Northern Virginia.

As drafted, Travel Tech has concerns with inclusion of travel services within HB 900’s expansion of the retail sales and use tax. Travel services are not discretionary add-ons, but an integral part of already-taxed travel transactions, and taxing them separately risks increasing costs for Virginia travelers and businesses without clear evidence of additional economic activity or value creation.

If the General Assembly nevertheless proceeds with including travel-related services within the scope of HB 900, it is critical that the bill be narrowly and precisely structured to avoid unintended, duplicative taxation of transactions that are already fully subject to Virginia’s sales and use tax. As drafted, HB 900 creates uncertainty regarding how newly taxable services interact with Virginia’s existing accommodations and travel transaction tax framework, raising the risk that the same economic consideration could be taxed more than once.

Interaction Between HB 900 and Existing Accommodations Tax Law

As drafted, HB 900 amends § 58.1-602 of the Code of Virginia to expand the definition of “taxable service” to include certain travel-related services, including travel planning services. While this reflects a policy choice to extend the sales and use tax to additional consumer-facing services, the bill does not address how these new taxable services interact with existing provisions governing accommodations and other fully taxed travel transactions.

Under current Virginia law, the retail sales and use tax on accommodations is imposed on the “room charge,” which is defined to reflect the full retail amount paid by the customer for the accommodations, including amounts retained by an accommodations intermediary in connection with the transaction. Consistent with this structure, commissions or facilitation



payments made between businesses in connection with an accommodations or other taxable travel transaction are not separately taxed, because the tax is imposed once at retail on the amount paid by the customer.

HB 900 does not expressly preserve this framework. Absent clarification, the expanded definition of “taxable service” could be interpreted to subject business-to-business commissions or facilitation fees to an additional layer of tax, even where the underlying travel transaction has already been fully taxed at retail. This risk arises not from a change in how travel transactions are structured today, but from the absence of statutory direction regarding how newly taxable travel services interact with existing definitions governing accommodations intermediaries and other fully taxed travel transactions.

This could result in the same consideration associated with a single accommodations transaction being subject to tax more than once, solely due to its characterization as a taxable service.

These concerns extend beyond lodging transactions. HB 900’s inclusion of “travel, event, and aesthetic planning services” as newly taxable services creates uncertainty for online travel agencies, travel management companies, metasearch platforms, and traditional travel agents that facilitate fully taxed travel transactions.

In particular, the bill does not distinguish between consumer-facing service fees charged directly to travelers and business-to-business fees or commissions paid by suppliers or intermediaries to agencies for facilitating a transaction. While the Commonwealth may intend to tax the former, the latter are compensation between businesses that are already reflected in a fully taxed underlying transaction.

Absent clarification, HB 900 could be interpreted to impose an additional layer of tax on B2B fees or commissions, even where the travel product itself is already subject to Virginia’s sales and use tax—resulting in duplicative taxation unrelated to consumer-paid services.

Proposed Clarifying Amendment

To align HB 900 with Virginia’s existing tax framework and avoid unintended double taxation, Travel Tech respectfully recommends a narrow technical clarification to § 58.1-602. We suggest clarifying that commissions, facilitation fees, or similar compensation paid between businesses in connection with a fully taxed travel transaction are not treated as a separate taxable service

Amend § 58.1-602 of the Code of Virginia, as amended by HB 900, to provide that:

“Taxable service’ shall not include commissions, facilitation fees, or other compensation paid by one business to another business for the purpose of facilitating or enabling an accommodations transaction or other taxable travel transaction, provided that the full retail amount paid by the customer for such transaction is subject to the retail sales and use tax under this chapter. This exclusion shall not apply to any service fee or charge



imposed directly on the customer separate from the price of the underlying travel product.”

This targeted clarification would preserve the Commonwealth’s ability to tax consumer-facing travel services, while maintaining existing treatment of business-to-business compensation that is already reflected in fully taxed retail transactions.

Travel Tech and its members appreciate the General Assembly’s consideration of HB 900 and its focus on supporting critical transportation and transit investments. We respectfully urge the Committee to consider this narrow technical amendment to promote clarity, administrability, and consistent enforcement. Travel Tech stands ready to serve as a resource to the Committee and to engage constructively as the General Assembly continues its review of this legislation.

Thank you for your time and consideration.

Sincerely,

Laura Chadwick
President & CEO
The Travel Technology Association
www.traveltech.org