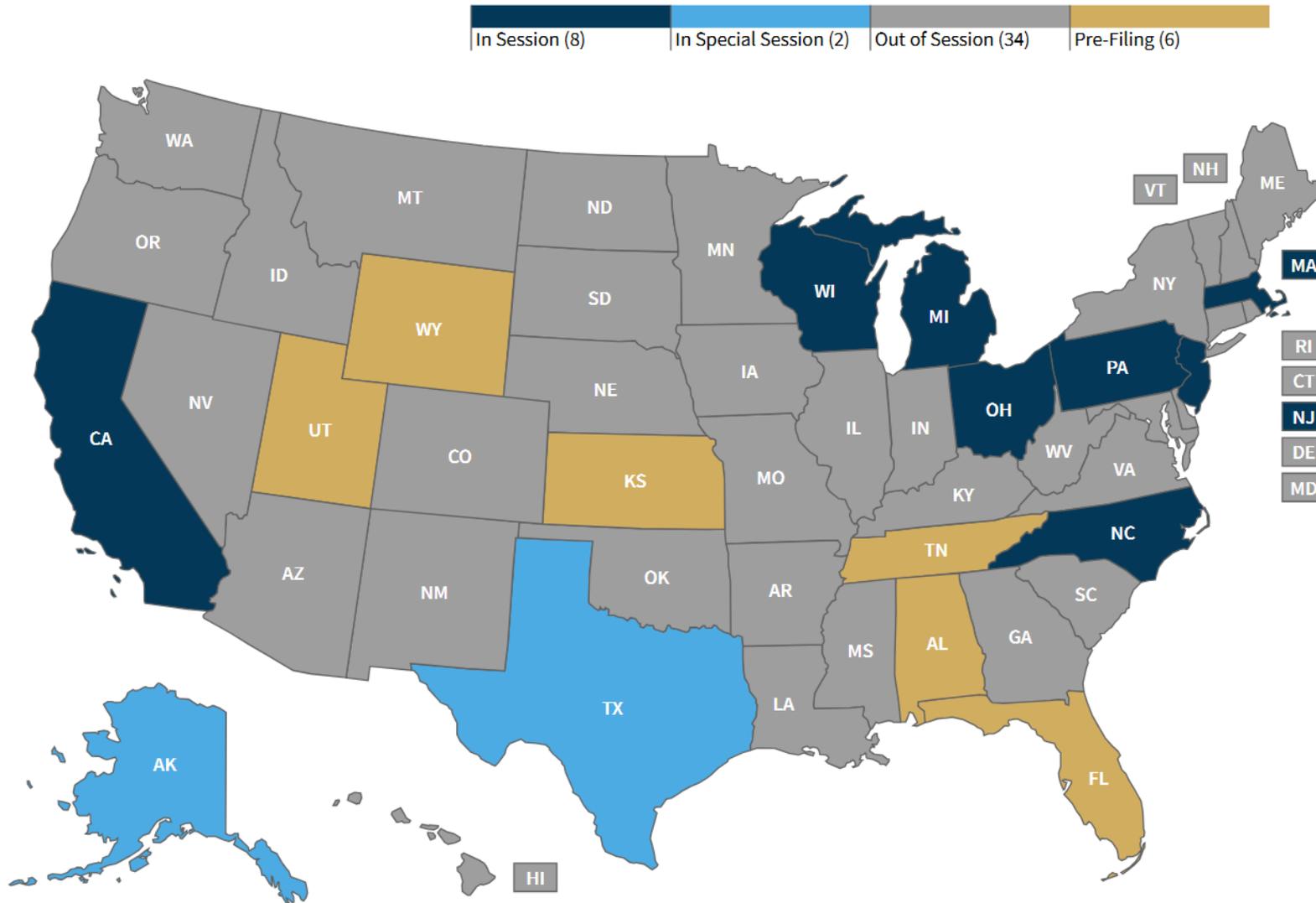




Southern Lodging Summit: Advocacy Update

AUGUST 20, 2025

States in Session



FY2026 Per Diem Rates Frozen



GSA freezes FY2026 per diem rates at FY2025 Levels

- **FY2026 Standard Per Diem Rate: \$178 total**
 - \$110 lodging
 - \$68 meals & incidental expenses (M&IE)
- **Non-Standard Areas (NSAs):** 296 locations with rates above the national standard
- Decision driven by reduced government travel and cost-cutting measures
- **AHLA continues advocating for rates that reflect rising hotel costs**



Travel, Trade, and Tariffs



Welcome to the complicated world of tariffs, which could be coming soon to a hotel's operating profit near you.

How much will tariffs impact hoteliers?

Trump executive order takes aim at federal employees' travel

By Johanna Jainchill | Feb 27, 2025



Inbound Travel

- **International inbound travel is projected -9.4% = \$9B loss** in foreign traveler spending
- **Summer ticket sales -2%** vs. 2024 from most countries
- **Canadian travel to the U.S. projected -20%** resulting in a **\$3.B loss**

Tariffs and Trade

- **Reciprocal tariffs went into effect on August 1**
- U.S.-China Trade uncertainty remains - pause in place
- Rates hold steady in August

Government Travel

- **275,000 announced layoffs**
- Considerable impact to sector in specific markets
- **Per Diem Rates** - FY '26 rates upcoming



Tax Wins

Trump's Return: Hoteliers Eye Tax Cuts and Worker Visas

Sean O'Neill
January 20th, 2025 at 9:09 AM EST



PRES. TRUMP'S "NO TAX ON TIPS" PROPOSAL

Circa Resort & Casino
Las Vegas



One Big Beautiful Bill Act Stops Tax Hikes on Hoteliers

- Preserves the Small Business Deduction
- Restores 100% Bonus Depreciation
- Maintains Like-Kind Exchange
- Increases Estate Tax Threshold
- Reinstates Business Interest Deductibility
- Creates Opportunity Zones Permanency
- No Tax on Tips to Help Frontline Workers

Not included: Backdoor tax increases like changes to business state and local tax deduction, distortions to individual and family marginal rates, retaliatory taxes/Section 899, changes to carried interest treatment.

Joint Employer

Franchisers Seize GOP Sweep as Opportunity on Joint Employer **Bloomberg Law**



What AHLA is doing

- Save Local Business Act reintroduced in Congress
- September introduction of a franchise-only bill aimed at increasing congressional engagement



Los Angeles



Referendum Update

Repeal Gross Receipts Tax (GRT) Launch



Traci Park City Council Re-Elect Fundraiser

Wednesday, August 27th 1:30pm - 3:00pm PT

PAC Lounge, Los Angeles



Junk Fees



MA Attorney General released updated guidance on the Final Junk Fee regulation.

- Mandates that hotels must display "total price/stay" as opposed to "total price/night."
- **September 2: Regulation Goes into Effect**

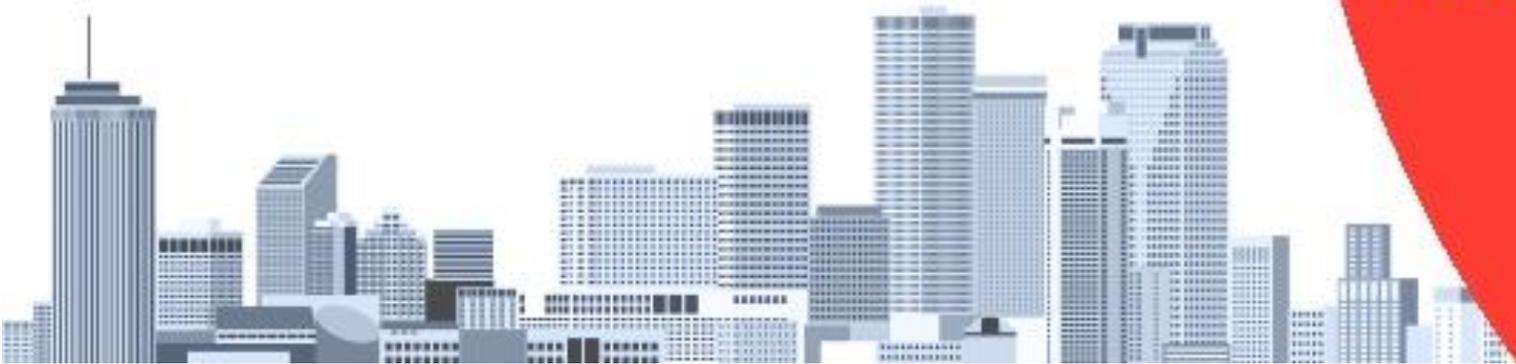
Massachusetts AG Issues Final Guidance Ahead of September 2 Junk-Fee Rule Enforcement

Massachusetts attorney general releases updated guidance on "junk fee" regulations ahead of compliance deadline

Upcoming Events



Louisiana hoteliers are getting together and you're invited!



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- ✓ **Expanded Education:** Peer-led insights from the all-new Education Stage



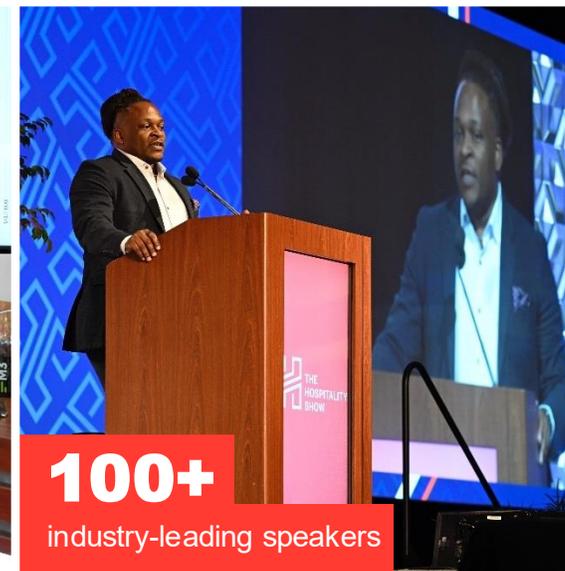
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of attendees own or operate hotels



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THANK YOU