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Hotel-Generated Tax Revenues to Reach New Heights in 2023

Richmond, Va. – Hotel-generated state and local tax revenue are expected to reach new heights nationally, generating approximately \$46.71 billion across the country this year. Virginia is no exception, as the state’s hotel industry continues to rebound back to pre-pandemic numbers.

“Hotels continues to make significant strides towards a full recovery from the COVID-19 pandemic,” said VRLTA President Eric Terry. “These projections are not only encouraging, but reflect the hard work our industry has put in over the past two years.”

According to the state-by-state projections released by the American Hotel & Lodging Association (AHLA) and Oxford Economics, Virginia hotels expect to generate nearly \$847 million in tax revenue for 2023. This would be an increase of almost \$60 million over the state’s 2019 revenues.

Additional insights found by the study offer additional reasons for optimism across the industry. Average U.S. hotel occupancy is projected to reach 63.8% in 2023 – just shy of 2019’s level of 65.9%. In Virginia, that number is projected to reach 64.1%, just 2.3% off the Commonwealth’s 2023 rate of 62.6%.

However, staffing is expected to remain a challenge for many U.S. hotels in 2023, as the industry continues to grow its workforce back to pre-pandemic levels. Virginia’s hotel employment projections indicate a 12.8% drop in direct employment, slightly higher than the nationwide average of 11.1%.

“There’s a lot of opportunity for workforce development here in Virginia,” said Terry, “and VRLTA is invested in developing that workforce. Fortunately, there’s never been a better time to get started in the hotel industry, with higher wages, more benefits, work flexibility and more upward mobility than ever before.”

If you’re interested in the full reports provided by the AHLA and Oxford Economics, please see the links below:

- [State-by-State Hotel Tax Revenue Projections](#)
- [State-by-State Hotel Hotel Employment Projections](#)
- [State-by-State Hotel Hotel Occupancy Projections](#)

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About AHLA

The American Hotel & Lodging Association (AHLA) is the largest hotel association in America, representing more than 30,000 members from all segments of the industry nationwide – including iconic global brands, 80% of all franchised hotels and the 16 largest hotel companies in the U.S. Headquartered in Washington, D.C., AHLA focuses on strategic

advocacy, communications support, and workforce development programs to move the industry forward. Learn more at www.ahla.com.

About VRLTA:

The Virginia Restaurant Lodging and Travel Association is the unified voice of the restaurant, lodging, travel, and hospitality supplier associations. VRLTA creates value for members by promoting the legislative interests of the industry, networking, educational opportunities, and protecting free enterprise. For more information, contact us via the links below.