



May 15, 2024

Honorable Marvin Abney
Chairman, House Finance Committee
State House
Providence, RI 02903

RE: H.8133, An Act Relating to Taxation – Sales and Use Taxes – Liability and Computation

Dear Chairman Abney and Committee Members,

The undersigned members of the Rhode Island Business Coalition oppose the passage of H.8133, An Act Relating to Taxation – Sales and Use Taxes – Liability and Computation

H.8133 levies an additional local hotel tax in the city of Newport, at a rate of 2.5% to be retained and used for Newport's public infrastructure and resiliency efforts. While this request is coming from the city of Newport, we believe the other 38 cities and towns will likely request the same authorization should this proposal move forward.

Rhode Island currently has the 13th highest real property rates in the country. Prior to the General Assembly's passage of tangible property tax reform, over half of the cities and towns had a higher tangible property tax rate than their residential property tax rate. We are concerned that passage of a law that allows cities and towns to implement a new local tax will lead down a slippery slope to challenges that will later have to be addressed by the General Assembly.

For these reasons, we ask you to oppose the passage of H.8133. Thank you for your consideration.

Sincerely,

Associated Builders and Contractors, Rhode Island
East Greenwich Chamber of Commerce
Greater Newport Chamber of Commerce
Rhode Island Beverage Association
Rhode Island Business Group on Health
Rhode Island Hospitality Association

Rhode Island Manufacturers Association

Rhode Island Marine Trades Association

Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Society of Certified Public Accountants

Rhode Island Staffing Association

Sustainable Benefits Strategies, LLC

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.