



Rhode Island Association of REALTORS® & State-Wide MLS

April 23, 2024

The Honorable Marvin Abney
Chair
House Committee on Finance

Re: H 8057—Short Term Rental Hotel Tax Exemption

Dear Chair Abney:

On behalf of the more than 6,000 members of the Rhode Island Association of REALTORS® (RIAR), I thank you for allowing our association to provide comments regarding H 8057. The legislation aims to impose higher taxes on Rhode Island families which provide much needed tourism revenue to cities and towns across our state.

During the last several months year, RIAR has participated in the House “Special Commission to Review and Provide Recommendations for Policies that Deal with Numerous Economic and Social Short-term Rentals Issues.” During deliberations, the commission has received presentations and data from several reliable sources including Rhode Island tourism councils, the Rhode Island Short Term Rental Association and the Rhode Island Division of Taxation to name a few. RIAR was pleased to learn that the commission’s work will be extended through 2025.

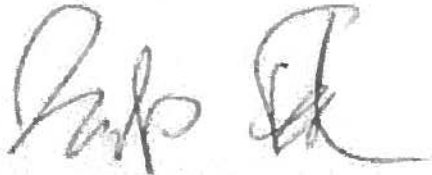
Prior to considering legislation that impacts short term rentals and consumers, RIAR recommends that the commission complete its work and provide the General Assembly with recommendations that include sound public policy research and data. RIAR is concerned that a piecemeal approach to addressing short term rentals will have an adverse impact on tourism and much-needed revenue for the State of Rhode Island and municipalities.

Moreover, RIAR is concerned that a push for higher taxes is misguided during a time of record inflation and looming recession. Unlike publicly traded companies that operate in the multibillion-dollar hotel industry, homeowners that offer vacation rentals using their private property provide a more affordable option for middle income vacationers. Imposing a new tax in H 8057 would jeopardize our state’s tourism industry when consumers cannot find a short-term rental or hotel at any reasonable price, thus shutting working consumers from vacationing in Rhode Island.

Finally, RIAR is concerned that some members of the General Assembly are attempting to eliminate short-term rentals. Many homeowners rely on additional income for retirement savings, college education, etc. and purchase a second home with these factors in mind. Changing the rules during this time of high inflation and looming recession could create an affordability problem that leads homeowners to sell or worse, foreclose.

The Rhode Island Association of REALTORS® urges this committee to take no action on H 8057 and work with our members on reasonable regulations and tax policy that promote homeownership and housing for all.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip B. Tedesco". The signature is fluid and cursive, with the first name "Philip" being more prominent than the last name "Tedesco".

Philip B. Tedesco, RCE, CAE, CIPS
Chief Executive Officer
RI REALTORS®