

Chris O'Brien

From: Kathryn Koutsis <kanneinvestments@gmail.com>
Sent: Wednesday, May 22, 2024 2:40 PM
To: House Finance Committee
Subject: I oppose bill H-8183

Hello,

I am writing to express my strong opposition to Bill 2024 -- H 8183, which proposes a five percent (5%) tax on the rental of houses and condominiums in Rhode Island. While the bill aims to generate funds for infrastructure improvements, riverine and coastal resiliency, and housing, I believe it will have several unintended and adverse consequences.

First and foremost, this additional tax will significantly impact Rhode Island's tourism industry. Many visitors choose to stay in rented houses and condominiums for the unique and often more affordable experiences they offer compared to traditional hotels. Imposing a new tax on these rentals could deter tourists from choosing Rhode Island as their vacation destination, instead opting for locations with fewer taxes and more competitive prices. This reduction in tourism could have a cascading effect on local businesses that rely on tourist spending, ultimately harming our state's economy.

Secondly, this tax will disproportionately affect local property owners who rely on short-term rentals as a source of income. Many homeowners use rental income to offset the high costs of property taxes, maintenance, and other expenses. The additional tax burden could make it financially unviable for them to continue offering their properties for rent, leading to a decrease in available rental options and potentially increasing long-term housing costs.

Moreover, the bill could create administrative challenges and increase compliance costs for both the property owners and the state's tax collection agencies. Ensuring that all rentals comply with the new tax regulations would require additional oversight and resources, which could be better utilized in direct infrastructure projects rather than managing a new tax scheme.

While the goals of improving infrastructure and enhancing resiliency are commendable, I believe there are more effective and less disruptive ways to achieve these objectives. Alternative funding mechanisms, such as reallocating existing state resources or seeking federal grants, should be explored before imposing a new tax that could have wide-ranging negative impacts on our local economy and community.

In conclusion, I urge you to reconsider the implications of Bill H 8183 and to explore other avenues for funding the necessary infrastructure improvements and resiliency projects. Thank you for your attention to this matter.

Sincerely,
Kathryn Koutsis
36 Exeter Blvd
Narragansett Ri 02882

Sent from my iPhone