

Chris O'Brien

From: Copy of Nancy's <nomorton@comcast.net>
Sent: Thursday, May 23, 2024 6:47 PM
To: House Finance Committee
Subject: I OPPOSE H8183

Dear Chairman Abney and Members of the House Finance Committee,

The Short Term Rental Owners of Middletown (STROM), a Rhode Island 501(c)(6) non-profit organization representing over 500 homeowners, strongly opposes House Bill H8183, which proposes an additional 5% tax on short-term rentals.

Rhode Island's tourism industry is currently experiencing a decline. According to the Rhode Island Department of Revenue, the City of Newport has seen a 6.08% year-over-year decline in hotel tax collections and a 3.15% decline in meal and beverage taxes. This translates to \$15,083,300 in lost sales for hotels and restaurants and a \$1,052,681 loss in state sales taxes in Newport alone.

Short-term rentals play a crucial role in Rhode Island's tourism sector, providing sought-after lodging options for travelers. Imposing further taxes and fees on these properties will likely drive tourists to more affordable destinations, adversely affecting Rhode Island's economy, local businesses, and workers in the hospitality industry.

Prior to considering any legislation like the proposed bill, we urge the State to conduct a comprehensive economic impact study on the effects increased taxation would have on Rhode Island's economy.

Furthermore, this proposed legislation has not been reviewed by the Special Commission to Study the Economic and Social Impact of Short-Term Rentals, established by the State Legislature in 2023. We strongly urge that any significant legislation regarding short-term rentals be postponed until the commission has completed its review and issued its findings.

Sincerely,

Nancy Morton
16 Carroll Ave
Newport, RI