



Rhode Island Association of REALTORS® & State-Wide MLS

May 23, 2024

The Honorable Marvin Abney  
Chair  
House Committee on Finance

**Re: H 8183—Rental Tax**

Dear Chair Abney:

On behalf of the more than 6,000 RI REALTORS®, I thank you for allowing our association to provide comments regarding H 8183. The legislation aims to impose a new tax on Rhode Island families who rent homes and condominiums, while removing the state hotel tax exemptions for short term rentals.

RI REALTORS® and our members have serious concerns about imposing a “rental tax” on Rhode Island families and households. According to a recently published report by Zillow, Providence had a 7.5 percent growth in rent prices since 2022, more than double the nationwide average.<sup>1</sup> Moreover, more than one-third of Rhode Island households pay more than 30 percent of their income toward housing costs.<sup>2</sup> RIAR is alarmed and disappointed that a push for higher and new housing taxes is misguided during a time of record inflation and looming recession. It furthermore makes Rhode Island less attractive for prospective residents and new businesses.

H 8183 would also remove the state’s hotel tax exemption for consumer’s that rent short term rentals defined in Rhode Island General Law § 44- 7 18-7.3(b). 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 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

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<sup>1</sup> [Providence sees highest rent increase nationwide, outpacing major U.S. cities](#)

<sup>2</sup> [HousingWorks RI’s Housing Fact Book 2023](#)

adverse impact on tourism and much-needed revenue for the State of Rhode Island and municipalities.

RI REALTORS® urges this committee to take no action on H 8183 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', written in a cursive style.

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