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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND  
COMPUTATION

Introduced By: Senators Gu, Sosnowski, Zurier, Vargas, Valverde, Euer, DiMario, and  
Mack

Date Introduced: January 23, 2025

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 44-18-36.1 of the General Laws in Chapter 44-18 entitled "Sales and  
2 Use Taxes — Liability and Computation" is hereby amended to read as follows:

3           **44-18-36.1. Hotel tax.**

4           (a) There is imposed a hotel tax of five percent (5%) upon the total consideration charged  
5 for occupancy of any space furnished by any hotel, travel packages, or room reseller or reseller as  
6 defined in § 44-18-7.3(b) in this state. A house, condominium, or other resident dwelling shall be  
7 exempt from the five percent (5%) hotel tax under this subsection if the house, condominium, or  
8 other resident dwelling is rented in its entirety; [provided, however, a house, condominium, or other](#)  
9 [resident dwelling rented in its entirety on a hosting platform, as defined in § 42-63.1-2\(5\), for rental](#)  
10 [activity on or after January 1, 2026, for a period of thirty \(30\) nights or less shall be subject to the](#)  
11 [five percent \(5%\) hotel tax under this subsection.](#) The hotel tax is in addition to any sales tax  
12 imposed. This hotel tax is administered and collected by the division of taxation and unless  
13 provided to the contrary in this chapter, all the administration, collection, and other provisions of  
14 chapters 18 and 19 of this title apply. Nothing in this chapter shall be construed to limit the powers  
15 of the convention authority of the city of Providence established pursuant to the provisions of  
16 chapter 84 of the public laws of 1980, except that distribution of hotel tax receipts shall be made  
17 pursuant to chapter 63.1 of title 42 rather than chapter 84 of the public laws of 1980.

18           (b) There is hereby levied and imposed, upon the total consideration charged for occupancy

1 of any space furnished by any hotel in this state, in addition to all other taxes and fees now imposed  
2 by law, a local hotel tax at a rate of one percent (1%). The local hotel tax shall be administered and  
3 collected in accordance with subsection (a).

4 (c) All sums received by the division of taxation from the local hotel tax, penalties or  
5 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid  
6 by the state treasurer to the city or town where the space for occupancy that is furnished by the  
7 hotel is located. Unless provided to the contrary in this chapter, all of the administration, collection,  
8 and other provisions of chapters 18 and 19 of this title shall apply.

9 (d) Notwithstanding the provisions of subsection (a) of this section, the city of Newport  
10 shall have the authority to collect from hotels located in the city of Newport the tax imposed by  
11 subsection (a) of this section.

12 (1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the tax  
13 as provided in § 42-63.1-3. No later than the first day of March and the first day of September in  
14 each year in which the tax is collected, the city of Newport shall submit to the division of taxation  
15 a report of the tax collected and distributed during the six (6) month period ending thirty (30) days  
16 prior to the reporting date.

17 (2) The city of Newport shall have the same authority as the division of taxation to recover  
18 delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty and  
19 interest imposed by the city of Newport until collected constitutes a lien on the real property of the  
20 taxpayer.

21 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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- 1           This act would remove the exemption from the state hotel tax for residences rented in their
- 2           entirety on a hosting platform on or after January 1, 2026, for a period of thirty (30) nights or less.
- 3           This act would take effect upon passage.

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