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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 LaMountain, Murray, Bissaillon, and McKenney

Date Introduced: February 21, 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.~~ The hotel tax is in addition to any sales tax imposed.  
9 This hotel tax is administered and collected by the division of taxation and unless provided to the  
10 contrary in this chapter, all the administration, collection, and other provisions of chapters 18 and  
11 19 of this title apply. Nothing in this chapter shall be construed to limit the powers of the convention  
12 authority of the city of Providence established pursuant to the provisions of chapter 84 of the public  
13 laws of 1980, except that distribution of hotel tax receipts shall be made pursuant to chapter 63.1  
14 of title 42 rather than chapter 84 of the public laws of 1980.

15           (b) There is hereby levied and imposed, upon the total consideration charged for occupancy  
16 of any space furnished by any hotel in this state, in addition to all other taxes and fees now imposed  
17 by law, a local hotel tax at a rate of one percent (1%). The local hotel tax shall be administered and  
18 collected in accordance with subsection (a).

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

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

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

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

18           SECTION 2. This act shall take effect upon passage and apply to rentals occurring on or  
19 after January 1, 2026.

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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.

3           This act would take effect upon passage and apply to rentals occurring on or after January  
4 1, 2026.

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