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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND
DEVELOPMENT

Introduced By: Senators Gu, DiPalma, Tikoian, and Kallman

Date Introduced: March 04, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-63.1-3 of the General Laws in Chapter 42-63.1 entitled "Tourism
2 and Development" is hereby amended to read as follows:

3 **42-63.1-3. Distribution of tax.**

4 (a) For returns and tax payments received on or before December 31, 2015, except as
5 provided in § 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax
6 collected from residential units offered for tourist or transient use through a hosting platform, shall
7 be distributed as follows by the division of taxation and the city of Newport:

8 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as
9 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel
10 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,
11 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district
12 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater
13 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided
14 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)
15 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau
16 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the
17 Convention Authority of the city of Providence established pursuant to the provisions of chapter
18 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the

1 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the receipts
2 attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island
3 commerce corporation as established in chapter 64 of this title.

4 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the
5 hotel that generated the tax is physically located, to be used for whatever purpose the city or town
6 decides.

7 (3) Twenty-one percent (21%) of the hotel tax shall be given to the Rhode Island commerce
8 corporation established in chapter 64 of this title, and seven percent (7%) to the Greater Providence-
9 Warwick Convention and Visitors' Bureau.

10 (b) For returns and tax payments received after December 31, 2015, except as provided in
11 § 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from
12 residential units offered for tourist or transient use through a hosting platform, shall be distributed
13 as follows by the division of taxation and the city of Newport:

14 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-
15 63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-
16 five percent (25%) of the tax shall be given to the city or town where the hotel that generated the
17 tax is physically located, ~~five percent (5%) of the tax shall be given to the Greater Providence-~~
18 ~~Warwick Convention and Visitors Bureau established in § 42-63.1-11,~~ and ~~twenty-eight percent~~
19 ~~(28%)~~ thirty-three percent (33%) of the tax shall be given to the Rhode Island commerce
20 corporation established in chapter 64 of this title.

21 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,
22 twenty-eight percent (28%) of the tax shall be given to the Providence district, twenty-five percent
23 (25%) of the tax shall be given to the city or town where the hotel that generated the tax is physically
24 located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-Warwick
25 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four percent (24%) of the
26 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

27 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
28 twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent
29 (25%) of the tax shall be given to the city or town where the hotel that generated the tax is physically
30 located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-Warwick
31 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four percent (24%) of the
32 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

33 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
34 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel that generated

1 the tax is physically located, ~~five percent (5%) of the tax shall be given to the Greater Providence-~~
2 ~~Warwick Convention and Visitors Bureau established in § 42-63.1-11,~~ and ~~seventy percent (70%)~~
3 seventy-five percent (75%) of the tax shall be given to the Rhode Island commerce corporation
4 established in chapter 64 of this title.

5 (5) With respect to the tax generated by hotels in districts other than those set forth in
6 subsections (b)(1) through (b)(4) of this section, forty-two percent (42%) of the tax shall be given
7 to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
8 percent (25%) of the tax shall be given to the city or town where the hotel that generated the tax is
9 physically located, ~~five percent (5%) of the tax shall be given to the Greater Providence-Warwick~~
10 ~~Convention and Visitors Bureau established in § 42-63.1-11,~~ and ~~twenty-eight percent (28%)~~ thirty-
11 three percent (33%) of the tax shall be given to the Rhode Island commerce corporation established
12 in chapter 64 of this title.

13 (c) For returns and tax payments received before July 1, 2019, the proceeds of the hotel tax
14 collected from residential units offered for tourist or transient use through a hosting platform shall
15 be distributed as follows by the division of taxation and the city of Newport: twenty-five percent
16 (25%) of the tax shall be given to the city or town where the residential unit that generated the tax
17 is physically located, and seventy-five percent (75%) of the tax shall be given to the Rhode Island
18 commerce corporation established in chapter 64 of this title.

19 (d) The Rhode Island commerce corporation shall be required in each fiscal year to spend
20 on the promotion and marketing of Rhode Island as a destination for tourists or businesses an
21 amount of money of no less than the total proceeds of the hotel tax it receives pursuant to this
22 chapter for the fiscal year.

23 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments
24 received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-63.1-
25 12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from residential
26 units offered for tourist or transient use through a hosting platform, shall be distributed in
27 accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of this
28 section by the division of taxation and the city of Newport.

29 (f) For returns and tax payments received on or after July 1, 2018, except as provided in §
30 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from
31 residential units offered for tourist or transient use through a hosting platform, shall be distributed
32 as follows by the division of taxation and the city of Newport:

33 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-
34 63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-

1 five percent (25%) of the tax shall be given to the city or town where the hotel that generated the
2 tax is physically located, ~~five percent (5%) of the tax shall be given to the Greater Providence-~~
3 ~~Warwick Convention and Visitors Bureau established in § 42-63.1-11,~~ and ~~twenty-five percent~~
4 ~~(25%)~~ thirty percent (30%) of the tax shall be given to the Rhode Island commerce corporation
5 established in chapter 64 of this title.

6 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,
7 thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent (25%)
8 of the tax shall be given to the city or town where the hotel that generated the tax is physically
9 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
10 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the
11 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

12 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
13 thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%)
14 of the tax shall be given to the city or town where the hotel that generated the tax is physically
15 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
16 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the
17 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

18 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
19 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel that generated
20 the tax is physically located, ~~five percent (5%) of the tax shall be given to the Greater Providence-~~
21 ~~Warwick Convention and Visitors Bureau established in § 42-63.1-11,~~ and ~~seventy percent (70%)~~
22 seventy-five percent (75%) of the tax shall be given to the Rhode Island commerce corporation
23 established in chapter 64 of this title.

24 (5) With respect to the tax generated by hotels in districts other than those set forth in
25 subsections (f)(1) through (f)(4) of this section, forty-five percent (45%) of the tax shall be given
26 to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
27 percent (25%) of the tax shall be given to the city or town where the hotel that generated the tax is
28 physically located, ~~five percent (5%) of the tax shall be given to the Greater Providence-Warwick~~
29 ~~Convention and Visitors Bureau established in § 42-63.1-11,~~ and ~~twenty-five (25%)~~ thirty percent
30 (30%) of the tax shall be given to the Rhode Island commerce corporation established in chapter
31 64 of this title.

32 (g) For returns and tax payments received on or after July 1, 2019, except as provided in §
33 42-63.1-12, the proceeds of the hotel tax, including the portion of the hotel tax collected from
34 residential units offered for tourist or transient use through a hosting platform except as provided

1 in subsection (h) of this section, shall be distributed as follows by the division of taxation and the
2 city of Newport:

3 (1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, forty-
4 five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five percent
5 (25%) of the tax shall be given to the city or town where the hotel or residential unit that generated
6 the tax is physically located, ~~five percent (5%) of the tax shall be given to the Greater Providence-~~
7 ~~Warwick Convention and Visitors Bureau established in § 42-63.1-11,~~ and ~~twenty five percent~~
8 ~~(25%)~~ thirty percent (30%) of the tax shall be given to the Rhode Island commerce corporation
9 established in chapter 64 of this title.

10 (2) For the tax generated in the Providence district as defined in § 42-63.1-5, thirty percent
11 (30%) of the tax shall be given to the Providence district, twenty-five percent (25%) of the tax shall
12 be given to the city or town where the hotel or residential unit that generated the tax is physically
13 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
14 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the
15 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

16 (3) For the tax generated in the Warwick district as defined in § 42-63.1-5, thirty percent
17 (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%) of the tax shall
18 be given to the city or town where the hotel or residential unit that generated the tax is physically
19 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
20 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the
21 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

22 (4) For the tax generated in the Statewide district, as defined in § 42-63.1-5, twenty-five
23 percent (25%) of the tax shall be given to the city or town where the hotel or residential unit that
24 generated the tax is physically located, ~~five percent (5%) of the tax shall be given to the Greater~~
25 ~~Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11,~~ and ~~seventy~~
26 ~~percent (70%)~~ seventy-five percent (75%) of the tax shall be given to the Rhode Island commerce
27 corporation established in chapter 64 of this title.

28 (5) With respect to the tax generated in districts other than those set forth in subsections
29 (g)(1) through (g)(4) of this section, forty-five percent (45%) of the tax shall be given to the regional
30 tourism district, as defined in § 42-63.1-5, wherein the hotel or residential unit is located, twenty-
31 five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit
32 that generated the tax is physically located, ~~five percent (5%) of the tax shall be given to the Greater~~
33 ~~Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11,~~ and ~~twenty five~~
34 ~~percent (25%)~~ thirty percent (30%) of the tax shall be given to the Rhode Island commerce

1 corporation established in chapter 64 of this title.

2 [\(6\) For returns and tax payments received on or after July 1, 2026, except as provided in §](#)
3 [42-63.1-12\(d\), five percent \(5%\) of the taxes generated in the Aquidneck Island district, statewide](#)
4 [district, Block Island district and South County district shall be given to the Rhode Island commerce](#)
5 [corporation for tourism development, public art and events throughout the participating regions.](#)

6 (h) **Distribution of whole home short-term rental tax.** For returns and tax payments
7 received after December 31, 2025, the proceeds of the whole home short-term rental tax established
8 in § 44-18-36.1(d) shall be distributed as follows by the division of taxation and the city of Newport:
9 fifty percent (50%) of the tax shall be deposited into the Housing Resources and Homelessness
10 restricted receipt account, established pursuant to § 42-128-2, twenty-five percent (25%) shall be
11 given to the regional tourism district, as defined in § 42-63.1-5, wherein the residential unit is
12 located, and twenty-five percent (25%) shall be given to the city or town where the residential unit
13 that generated the tax is physically located.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND
DEVELOPMENT

1 This act would remove the requirement that five percent (5%) of the hotel tax generated
2 from regional tourism districts be paid to the Greater Providence-Warwick Convention and Visitors
3 Bureau, and would add that five percent (5%) of the hotel tax to the existing tax paid to the Rhode
4 Island commerce corporation.

5 This act would take effect upon passage.

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