

2017 -- H 5771

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LC001877  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO TAXATION - SALES AND USE TAXES

Introduced By: Representatives Almeida, Regunberg, Ajello, Williams, and Lombardi

Date Introduced: March 01, 2017

Referred To: House 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  
2 and 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 to one renting party for a period of at least thirty  
9 (30) days. The hotel tax is in addition to any sales tax imposed. This hotel tax is administered and  
10 collected by the division of taxation and unless provided to the contrary in this chapter, all the  
11 administration, collection, and other provisions of chapters 18 and 19 of this title apply. Nothing  
12 in this chapter shall be construed to limit the powers of the convention authority of the city of  
13 Providence established pursuant to the provisions of chapter 84 of the public laws of 1980, except  
14 that distribution of hotel tax receipts shall be made pursuant to chapter 63.1 of title 42 rather than  
15 chapter 84 of the public laws of 1980.

16 (b) There is hereby levied and imposed, upon the total consideration charged for  
17 occupancy of any space furnished by any hotel in this state, in addition to all other taxes and fees  
18 now imposed by law, a local hotel tax at a rate of ~~one percent (1%)~~ two and one-half percent  
19 (2.5%). The local hotel tax shall be administered and 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,  
5 collection, 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  
10 tax as provided in § 42-63.1-3. No later than the first day of March and the first day of September  
11 in each year in which the tax is collected, the city of Newport shall submit to the division of  
12 taxation a report of the tax collected and distributed during the six (6) month period ending thirty  
13 (30) days prior to the reporting date.

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

18 In recognition of the work being performed by the Streamlined Sales and Use Tax  
19 Governing Board, upon any federal law which requires remote sellers to collect and remit taxes,  
20 effective the first (1st) day of the first (1st) state fiscal quarter following the change, the rate  
21 imposed under § 44-18-36.1(b) shall be one and one-half percent (1.5%).

22 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 raise the local hotel tax rate from one percent (1%) to two and one-half  
2 percent (2.5%). The act also subjects resident dwellings to the five percent (5%) hotel tax if the  
3 dwelling is rented for less than thirty (30) consecutive days.

4           This act would take effect upon passage.

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