

2019 -- H 5950

=====
LC002305
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

—————
A N A C T

RELATING TO TAXATION -- HOTEL TAX DISTRIBUTION

Introduced By: Representative Lauren H. Carson

Date Introduced: April 03, 2019

Referred To: House 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
2 "Tourism 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 such portion of the hotel tax~~
6 ~~collected from residential units offered for tourist or transient use through a hosting platform,~~
7 ~~shall 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~~
19 ~~district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the~~

1 ~~receipts attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode~~
2 ~~Island commerce corporation as established in chapter 64 of title 42.~~

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

6 ~~(3) Twenty one (21%) of the hotel tax shall be given to the Rhode Island commerce~~
7 ~~corporation established in chapter 64 of title 42, and seven percent (7%) to the Greater~~
8 ~~Providence Warwick Convention and Visitors' Bureau.~~

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

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

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

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, which generated the tax, is~~
30 ~~physically located, twenty three percent (23%) of the tax shall be given to the Greater~~
31 ~~Providence Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty~~
32 ~~four (24%) of the tax shall be given to the Rhode Island commerce corporation established in~~
33 ~~chapter 64 of title 42.~~

34 ~~(4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,~~

1 ~~twenty five percent (25%) of the tax shall be given to the city or town where the hotel, which~~
2 ~~generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater~~
3 ~~Providence Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy~~
4 ~~percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in~~
5 ~~chapter 64 of title 42.~~

6 ~~(5) With respect to the tax generated by hotels in districts other than those set forth in~~
7 ~~subdivisions (b)(1) through (b)(4), forty two percent (42%) of the tax shall be given to the~~
8 ~~regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty five~~
9 ~~percent (25%) of the tax shall be given to the city or town where the hotel, which generated the~~
10 ~~tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-~~
11 ~~Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty eight (28%) of~~
12 ~~the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title~~
13 ~~42.~~

14 ~~(c) The proceeds of the hotel tax collected from residential units offered for tourist or~~
15 ~~transient use through a hosting platform shall be distributed as follows by the division of taxation~~
16 ~~and the city of Newport: twenty five percent (25%) of the tax shall be given to the city or town~~
17 ~~where the residential unit, which generated the tax, is physically located, and seventy five percent~~
18 ~~(75%) of the tax shall be given to the Rhode Island commerce corporation established in chapter~~
19 ~~64 of title 42.~~

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

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

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

34 ~~(1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §~~

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

7 ~~(2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-~~
8 ~~5, thirty percent (30%) of the tax shall be given to the Providence district, twenty five percent~~
9 ~~(25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is~~
10 ~~physically located, twenty four (24%) of the tax shall be given to the Greater Providence-~~
11 ~~Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty one (21%) of~~
12 ~~the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title~~
13 ~~42.~~

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

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

26 ~~(5) With respect to the tax generated by hotels in districts other than those set forth in~~
27 ~~subdivisions (b)(1) through (b)(4), forty five percent (45%) of the tax shall be given to the~~
28 ~~regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty five~~
29 ~~percent (25%) of the tax shall be given to the city or town where the hotel, which generated the~~
30 ~~tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-~~
31 ~~Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty five (25%) of~~
32 ~~the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title~~
33 ~~42.~~

34 [For returns and tax received after July 1, 2019, the proceeds of the hotel tax generated,](#)

1 including that collected from residential units offered for tourist or transient use through a hosting
2 platform, shall be distributed as follows by the division of taxation:

3 (1) Twenty-five percent (25%) of the tax shall be given to the city or town where the
4 hotel or residential unit which generated the tax is physically located;

5 (2) Forty-five percent (45%) of the tax shall be given to the appropriate regional tourism
6 district, as determined in § 42-63.1-5, where the hotel or residential unit is located;

7 (3) Five percent (5%) of the tax shall be given to the Greater Providence-Warwick
8 Convention and Visitors' Bureau established in § 42-63.1-11; and

9 (4) Twenty-five percent (25%) of the tax shall be given to the Rhode Island commerce
10 corporation established in chapter 64 of title 42.

11 SECTION 2. This act shall take effect on July 1, 2019.

=====
LC002305
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION -- HOTEL TAX DISTRIBUTION

1 This act would change how the hotel tax, including that imposed on a hosting platform
2 rentals, is distributed according to this uniform formula:

- 3 1. Twenty-five percent (25%) to the host city or town;
- 4 2. Forty-five percent (45%) to the appropriate regional tourism district;
- 5 3. Five percent (5%) to the Greater Providence-Warwick Convention and Visitors'
6 Bureau; and
- 7 4. Twenty-five percent (25%) to the Rhode Island commerce corporation.

8 This act would take effect on July 1, 2019.

=====
LC002305
=====