

July 20, 2020

To House Finance Committee

From E From: Evan Smith President & CEO – Discover Newport

Discover Newport would like to go on record as standing opposed to the proposed changes to the state hotel tax as outlined in Article 8 section 2 (hotel tax).

Our opposition is based on multiple principles:

1. Hotels are already over- taxed. Looking at the national figures by state, I believe Rhode Island has the 4<sup>th</sup> highest taxes on hotel rooms in the nation. Hotels pay property tax, sales tax, hotel tax, meals tax, payroll tax, inventory tax, plus many other travel related taxes & fees. Increasing this tax would only make our hotels less competitive in the national market which is already extremely competitive.
2. State government continues to focus on continuing to over tax two markets within the tourism business community (i.e. lodging & dining) while not taxing many other sectors from the tourism community including, but not limited to attractions & events. We believe that the taxation burden should be more evenly distributed among all the businesses that comprise the various sectors of tourism.

We would strongly encourage the members of the House finance committee reject the changes in the hotel tax as outlined in Article 8, section 2. If you have any questions I can be reached at [esmith@discovernewport.org](mailto:esmith@discovernewport.org) or 401-845-9113. Thank you for your consideration of our feedback.

Evan Smith Discover Newport