



Mayor of Providence

Brett P. Smiley

May 1, 2025

Representative Marvin Abney
Chair House Finance Committee
Rhode Island State House
82 Smith St
Providence, RI, 02903

Dear Chair Abney and Members of the Committee:

I am writing to express my strong support for House Bill 5476, AN ACT RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND COMPUTATION. If enacted, this bill will remove the exemption from the state hotel tax for short-term rentals, applying it to all rented residences in their entirety.

Under the current law, short-term rentals are subject to a 7% sales tax, a 1% local hotel tax, and a 5% state hotel tax—unless the entire residence is rented. In the City of Providence, there are over 3,000 short-term rental properties, many of which are rented in full by guests. By passing this bill, Providence would not only see an increase in tax revenue but also promote the growth of the tourism sector, leading to long-term economic benefits for both the city and the state.

Furthermore, removing the exemption for short-term rentals would help create a fairer and more equitable marketplace by ensuring that all accommodations, including hotels, are subject to the same tax rate. This change would also bring Rhode Island's tax policies in line with neighboring states, such as Massachusetts and Connecticut, which would further streamline regional commerce and competitiveness.

I strongly urge you to support this bill, as it will provide a more balanced tax structure, stimulate economic growth, and foster a more competitive tourism industry in Rhode Island.

For these reasons, I ask the committee to vote yes on House Bill 5476.

Sincerely,


Brett P Smiley
Mayor