



May 13, 2025

The Honorable Marvin L. Abney, Chair  
House Finance Committee  
Rhode Island House  
82 Smith Street  
Providence, RI 02903

RE: BILL NUMBER H-5784 – A N A C T RELATING TO TAXATION -- SALES AND USE TAXES --  
LIABILITY AND COMPUTATION

Chair Abney and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, We write to express our support for House Bill 5784, which would expand the definition of "room-seller" to include "hosting platforms" and impose a 5% tax on the rental of a house or condominium.

This legislation represents a meaningful step forward in ensuring fairness and consistency in the application of the local hotel tax, particularly as the short-term rental market continues to grow. Including "hosting platforms" under the definition of "room-seller" will help level the playing field with traditional lodging providers and strengthen local tax compliance.

Importantly, H5784 directs the revenue from this tax to be used exclusively for infrastructure improvements, riverine and coastal resiliency, and housing, critical areas of investment for Rhode Island's cities and towns. As municipalities work to address aging infrastructure, climate-related vulnerabilities, and ongoing housing challenges, access to a dedicated and predictable funding stream will enhance local planning and implementation capacity.

This bill aligns with the League's priorities by returning resources to the communities where these rentals take place and where the impact is most directly felt. It recognizes that local governments are best positioned to respond to these needs and ensures they have the tools to do so effectively.

For these reasons, the League respectfully urges the Committee to support passage of H5784. We thank the sponsors for their thoughtful approach to municipal support and sustainability.

Thank you for your time and consideration of our views.

Sincerely,

A handwritten signature in dark ink, appearing to read "Randy R. Rossi".

Randy R. Rossi  
Executive Director

Cc: Honorable Members of House Finance Committee