



May 21, 2025

Honorable Marvin L. Abney, Chairman
House Finance Committee
State House
Providence, RI 02903

Re: H.6350, An Act Relating to Taxation – Sales and Use Taxes – Liability and Computation

Dear Chairman Abney,

The undersigned members of the Rhode Island Business Coalition are writing in opposition to House Bill 6350, An Act Relating to Taxation – Sales and Use Taxes – Liability and Computation.

H.6350 would allow cities and towns to levy an additional hotel tax of up to two percent. The Coalition has concerns regarding the potential for communities across the state to increase the tax at different rates. In addition, while it is a two percent increase in this bill, that could easily increase should the financial situations of cities and towns become more challenging in future years.

Rhode Island currently has the 13th highest real property rates in the country. Prior to the General Assembly's passage of tangible property tax reform, over half of the cities and towns had a higher tangible property tax rate than their residential property tax rate. We are concerned that passage of a law that allows cities and towns to implement a new local tax will lead down a slippery slope to challenges that will later have to be addressed by the General Assembly.

For these reasons, we ask the Committee to take no action on H.6350. Thank you for your consideration.

Sincerely,

National Federation of Independent Business

Rhode Island Business Group on Health

Rhode Island Hospitality Association

Rhode Island Manufacturers Association

Rhode Island Marine Trade Association

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

Rhode Island Staffing Association

Small Business Economic Summit Regulations Subcommittee

Small Business Economic Summit Tax and Budget Committee

cc. House Finance Committee members