



May 21, 2025

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

RE: BILL NUMBER H-6350 – AN ACT 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 6350, which would provide Rhode Island's municipalities with the option to increase their local share of hotel tax collection by an additional two percent (2%), raising the allowable local rate from 1% to a maximum of 3%.

This legislation offers a much-needed opportunity for municipalities to strengthen their local revenue base in a manner that reflects and supports community investment in tourism and hospitality infrastructure. The flexibility granted by this bill recognizes that local governments are on the front lines of delivering the services and maintaining the public spaces that make Rhode Island's destinations attractive to visitors.

In addition to enhancing local revenue streams, the bill maintains the appropriate checks and balances by making the increase optional. Communities can assess whether raising the rate aligns with their local economic strategies and tourism development goals. This localized decision-making authority is consistent with the League's commitment to home rule and municipal empowerment.

Importantly, House Bill 6350 also ensures that all funds collected under the expanded hotel tax authority will continue to be distributed directly to the city or town in which the hotel is located. This direct reinvestment supports economic development, public safety, beautification projects, and cultural programming, all critical components of a vibrant tourism economy.

The League urges the Committee to support this measure that enhances local capacity without placing any new burden on general revenue or the state budget.

Thank you for your attention to this matter and for your continued commitment to strengthening our communities.

Sincerely,

A handwritten signature in dark ink, appearing to read "Randy R. Rossi", is written over a light blue horizontal line.

Randy R. Rossi
Executive Director

Cc: Honorable Members of House Finance Committee