



March 31, 2026

The Honorable Stephen M. Casey, Chair
House Committee on Municipal Government & Housing
State House
Providence, RI 02903

**Re: Testimony on H7657 An Act Relating to State Affairs and
Government–Tourism and Development**

Dear Chair Casey and Members of the Committee,

I write today on behalf of Airbnb to record our opposition to House Bill 7657, which would impose a commercial tax rate on short term rentals that are not primary residences, defined as resided in by the owner 7 months or more of the year and where the owner has their voter registration.

This bill is an outlier in many regards. The definition of resident would make Rhode Island among the strictest in the country. In some communities, the result would be tax increases of 20%-50%. The bill also raises legal questions about different treatment of similarly situated individuals because of its application to individuals who use platforms, but not to those operators who do not.

Perhaps most concerning, however, is the result that the bill would punish many Rhode Island residents whose infraction is wanting to share the state and their community with visitors. Over three-quarters of the Rhode Island hosts on our platform have a single listing, with the typical host welcoming guests fewer than 50 nights during the year.¹ Taken together, these numbers tell us that the vast majority of hosts on our platform rent their listings 14% or less of the year.

When hosts are not renting their properties, they are often using them for themselves or their own families. Many of our hosts use the income derived from hosting to help them stay in the home, with nearly half of them reporting that the income helped them cover the rising

¹ As reported by hosts on Airbnb in 2025.

cost of living.² It is worth noting that 60% of Rhode Island hosts on Airbnb self-identify as women³.

Other hosts rent until they are able to retire to the home. Twenty-four percent of Rhode Island hosts are over the age of 60.⁴ Still others host because it enables them to maintain homes that have been in their families for decades.

House Bill 7657 is a regressive tax in that it penalizes those who are fighting for economic stability in the midst of a historical affordability crisis. The typical host in Rhode Island earned \$20,000 in 2025⁵. These STR hosts are not profiteers; they are residents trying to keep their heads above water. This bill will make it harder for them to stay afloat.

Requiring the application of a commercial tax rate to residential properties will have consequences, intended and unintended.

First, this bill will make people think twice about short term renting, which is likely intended. The change proposed by House Bill 7657 would double STR hosts' property taxes in some instances, erecting a barrier to engaging in future activity they engage in today. In this way, extending commercial property tax rates to residential properties that are STRs is a back-door ban on STRs, particularly those STRs where the income is what enables people to maintain those homes. If the cost is too high, people may choose not to engage in the activity.

For example, a home in Warwick assessed at a value of \$405,000 would pay a residential property tax of \$12.70 for every \$1,000, for a total of \$5,143. Under this law, that rate would go up to \$23.99 per \$1,000 valuation. That homeowner who short term rents would see their bill go up to \$9,715, almost doubling their property tax and cutting in half the typical host's annual earnings. That's \$10,000 less going toward retirement, college savings, or making ends meet.

If hosts decide not to rent, that will cut off an income stream for the host as well as for the community. In 2025, for every \$100 guests spend on an Airbnb listing, guests report spending about \$170 on non-accommodations like restaurants, recreation, and shopping.⁶ Small businesses that currently rely on revenue derived from STR guests will feel that change.

² Airbnb Host Compact Survey (2025)

³ As reported on Airbnb platform in 2025.

⁴ Ibid.

⁵ Host Compact Survey (2025)

⁶ Guest Compact Survey (2025)

Finally, as the Committee considers the implications of requiring the classification of certain STRs as commercial property we ask that the Committee consider the message that action sends. Occasionally renting a home as an STR does not convert that home into a commercial enterprise any more than offering music lessons to children in your home turns it into Carnegie Hall. This line of reasoning is grounded in the historic allowance of “home occupations” in residential dwellings as a customary use.

Earlier this year whole home STRs, which are the majority of STRs in Rhode Island, became subject to the 5% hotel tax. The authorized local occupancy tax was also raised from 1% to 2%. Our hosts, many of whom are Rhode Island residents, are paying this tax as well as the required sales tax. They are contributing to the economic well-being of the state.

Short term rentals have been a mainstay of the Rhode Island tourism economy for generations. It is how so many people have come to know the Ocean State, deciding ultimately to relocate here or to purchase a home they can use with their loved ones. This, in turn, has created economic benefits for communities and the state.

We believe that hosts who welcome guests and provide positive experiences that connect people to Rhode Island should be celebrated, not penalized. We ask that the Committee reject this legislation.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Britte McBride". The signature is fluid and cursive, with the first name "Britte" being more prominent than the last name "McBride".

Britte McBride
Public Policy Manager
New England