

Rhode Island Department of Revenue Division of Taxation

House of Representatives Short Term Rental Commission
Presentation

January 29, 2024

Neena S. Savage
Tax Administrator

Agenda

- About Us: Division of Taxation
- Overview of Short-term Rentals
 - Tax on Traditional Hotel Room
 - Tax on Entire Residential Dwelling (e.g., cottage, apartment, condo, etc.)
 - Tax on Room Rental (e.g., room in someone's home)
 - Filing Obligations: Forms, Examples, Who is Responsible
- Distributions
- Compliance Methods and Initiatives
- Statutory Definitions/Information
- Questions

About Us

The Division of Taxation: One of six agencies in the Department of Revenue

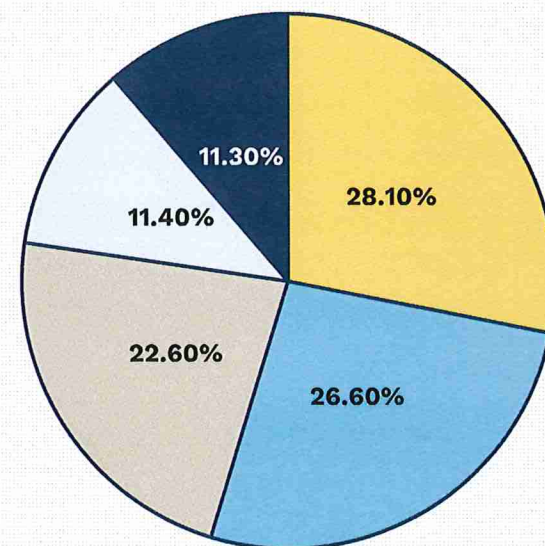
- The Rhode Island Division of Taxation employs **223 tax professionals**, administering more than **58 different taxes and fees**.
- Taxes represent **the most significant source of General Fund revenue** for Rhode Island – funds used to help pay for vital services including public safety, education, transportation, and recreation for all Rhode Islanders.
- Each year, the Division **collects and distributes more than \$5.2 billion** in funds to the State, municipalities, and other agencies (as of FY 23).

Our Mission

- To foster voluntary compliance with the Rhode Island tax laws and instill public confidence through professional, impartial and ethical conduct.
- To administer and collect all taxes as required by Rhode Island law in the most efficient and cost-effective manner.
- To assist taxpayers by helping them understand and meet their tax responsibilities.

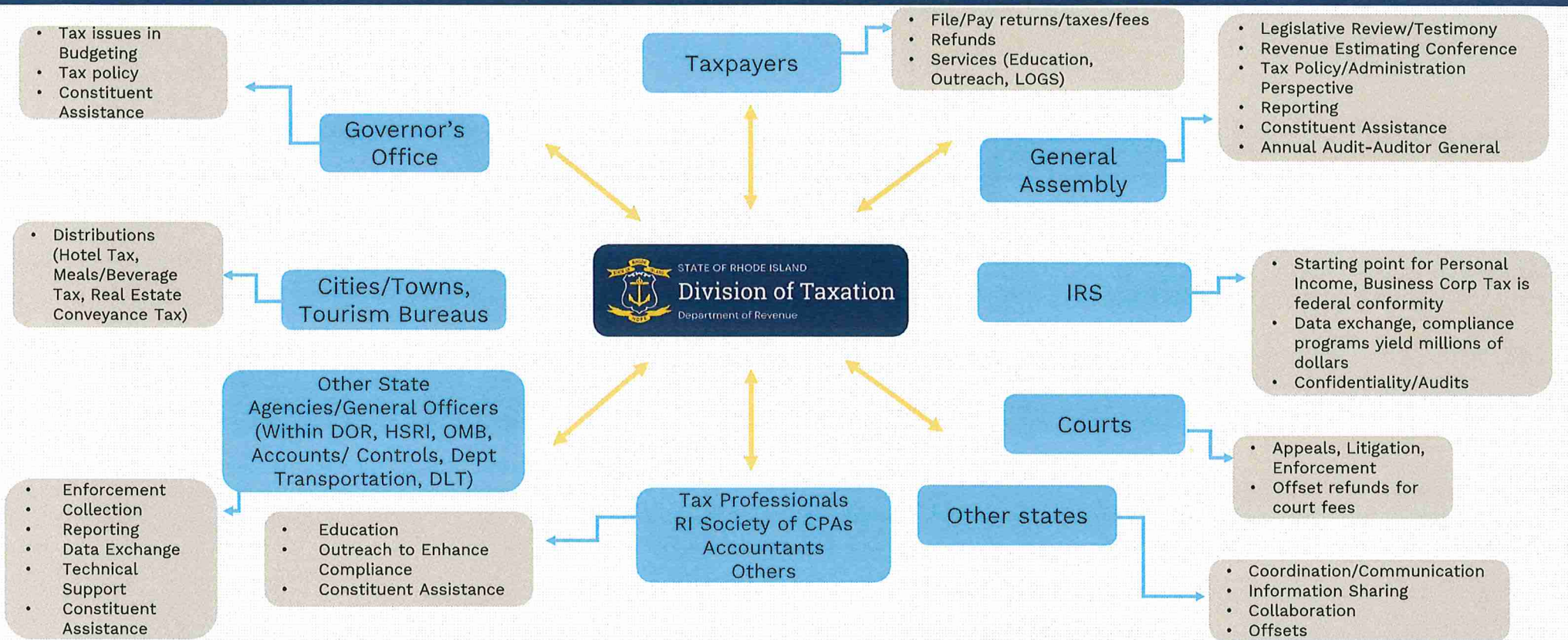
Total State Tax Revenue Collected by the Division of Taxation for Fiscal Year 2023 (\$, In Millions)

FY23 Receipts: \$5.2B

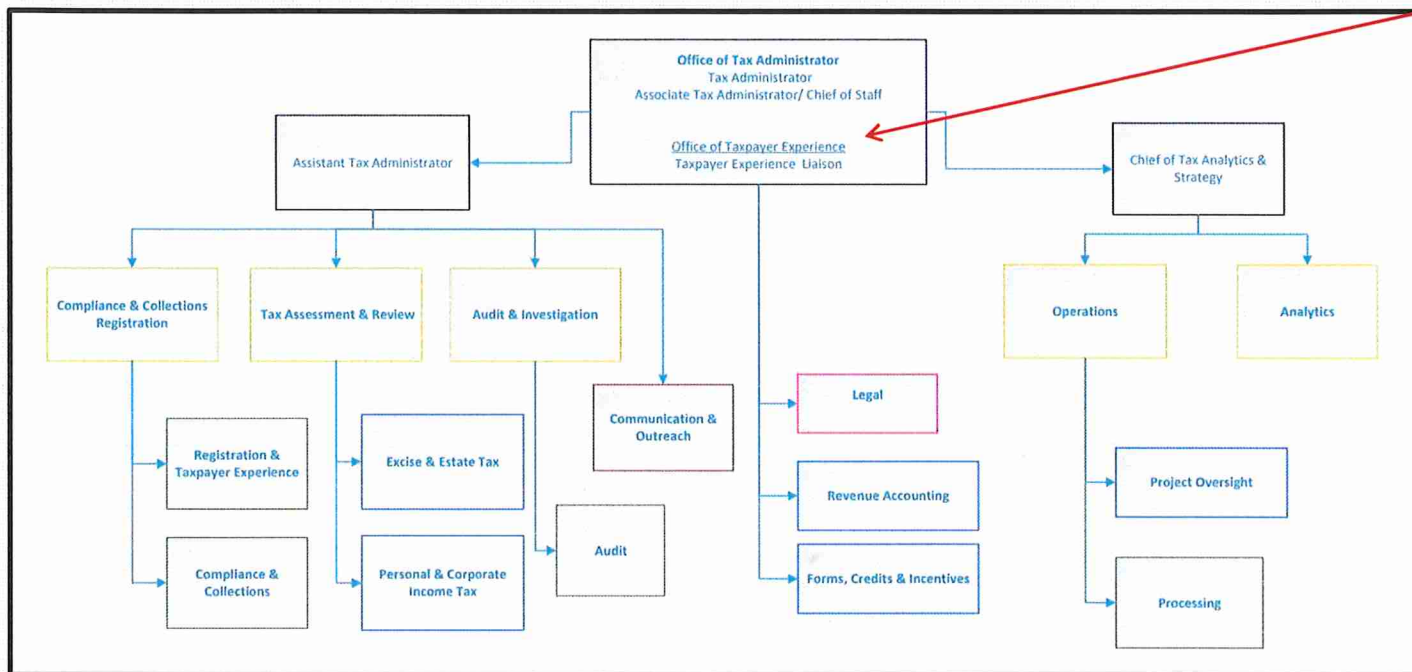


■ Withholding ■ Sales ■ Corp ■ PIT ■ Estate, M&B, Hotel & Other

About Us: Key Stakeholders/Interactions



Taxpayer Experience Office/Team

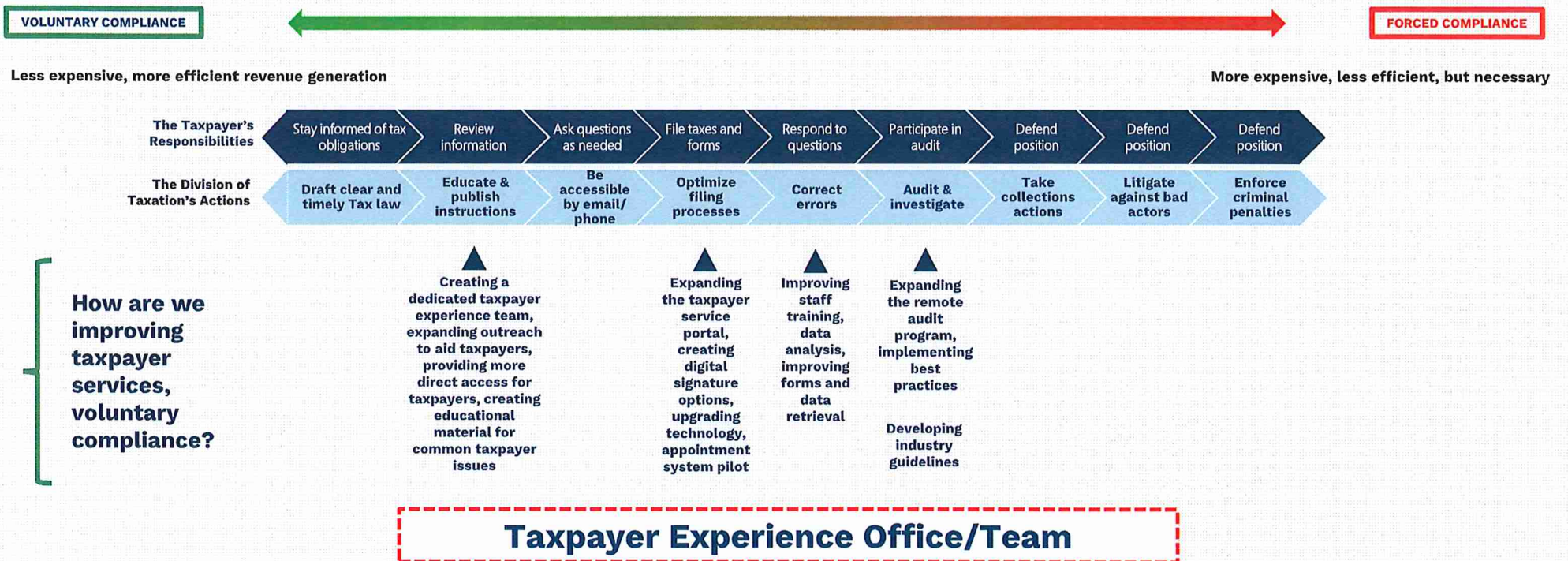


Taxpayer Experience Office Team

- Tax Administrator
- Asst Tax Administrator
- **External Facing: Taxpayer Experience Liaison**
- **Internal Taxpayer Experience Team**
(With Initial Focus on Collections/Compliance)
- Continue Improvements Across Agency at all Taxpayer Contact Points

Division of Taxation: Mission

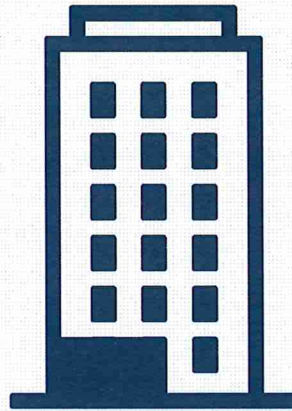
The Tax Administration Efficiency Continuum



Overview

- Summary:
 - What the taxes are: Traditional Hotels, Entire Residential Dwelling, Rooms
 - How the tax works: forms, filing requirements, obligations
 - What the distributions are
 - How we ensure compliance
- Our top goals:
 - Collect money promptly and accurately
 - Distribute money to municipalities and others promptly and accurately
 - Achieve voluntary compliance by taxpayers through education and outreach

Comparison



Entire Residential Dwelling

Type of tax	Tax rate
State sales tax:	7%
Local hotel tax:	1%
Total:	8%

Traditional Hotel Room

Type of tax	Tax rate
State sales tax:	7%
State hotel tax:	5%
Local hotel tax:	1%
Total:	13%

Room Rental

Type of tax	Tax rate
State sales tax:	7%
State hotel tax:	5%
Local hotel tax:	1%
Total:	13%

Tax on Traditional Hotel Room

Tax on traditional hotel room:

- How tax applies

Type of tax	Tax rate
State sales tax:	7%
State hotel tax:	5%
Local hotel tax:	1%
Total:	13%

Tax on Traditional Hotel Room

- Example: XYZ Hotel in Providence rents out a room for one night for \$170.00. Here is how the tax would apply:

Type of tax	Tax	Distribution
7% State sales tax:	\$ 11.90	...to General Fund
5% State hotel tax:	\$ 8.50	...to Commerce, others
1% Local hotel tax:	\$ 1.70	...to municipalities
Total:	\$ 22.10	

Note: Revenue from 5% state hotel tax is distributed, by statutory formula, to a number of recipients, including Commerce Corporation, municipalities, Providence Warwick Convention & Visitors Bureau, and regional tourism districts.

Tax on Entire Residential Dwelling

Tax on entire residential dwelling unit, such as entire cottage, condo, house, apartment:

- How tax applies

Type of tax	Tax rate
7% State sales tax:	7%
1% Local hotel tax:	1%
Total:	8%

5% statewide hotel tax does not apply to such rentals.
Taxes on this slide are for short-term residential rentals – those 30 days or less. For rental of more than 30 days with signed lease, no sales tax and no hotel taxes apply.

Tax on Entire Residential Dwelling

Tax on entire residential dwelling unit, such as entire cottage, condo, house, apartment:

- Where the money goes

Type of tax	Distribution
7% State sales tax:	General Fund
1% Local hotel tax:	Municipalities

5% statewide hotel tax does not apply to such rentals.

Taxes on this slide are for short-term residential rentals – those 30 days or less. For rental of more than 30 days with signed lease, no sales tax and no hotel taxes apply.

Tax on Entire Residential Dwelling

Tax on entire residential dwelling unit, such as entire cottage, condo, house, apartment: only 1% Local Hotel Tax*

Form RI-8478 (Front)

State of Rhode Island Division of Taxation
Form RI-8478
Residential Dwelling/Room Rental Tax Return

16124099990101

Name _____ FEN/SDN/Permit number _____

Address _____ For the month ending: _____

Address 2 _____

City, town or post office _____ State _____ ZIP code _____ E-mail address _____

Calculation of Amount Due:

1 Total occupancy charges from a residential dwelling rented in its entirety for a period of thirty (30) days or less: 1

2 Local hotel tax. Multiply line 1 times 1% (0.01): 2

Lines 1 & 2

Form RI -8478 (Back)

Used for Distribution of
Local 1% and 5%

State of Rhode Island Division of Taxation
Form RI-8478
Residential Dwelling/Room Rental Tax Return

16124099990102

Name _____ FEN/SDN/Permit number _____

CITY OR TOWN	RESIDENTIAL DWELLING RENTAL - 1%	ROOM RENTAL - 6% TAX
Barrington	01	
Bristol	02	
Burrillville	03	
Central Falls	04	
Charlestown	05	
Coventry	06	
Cranston	07	
Cumberland	08	
East Greenwich	09	
East Providence	10	
Exeter	11	

May be used by:

- Homeowners
- Realtors with more than one property
- Homeowners with more than one property
- Hosting Platforms

* 7% Sales Tax Paid on Separate STR Form

Tax on Entire Residential Dwelling Unit

Example: Owner of cottage in Narragansett rents out cottage for one week for \$1,200

Type of tax	Tax	Distribution
7% State sales tax:	\$ 84.00	General Fund
1% Local hotel tax:	\$ 12.00	Municipalities
Total:	\$ 96.00	

5% statewide hotel tax does not apply to such a rental.

Taxes on this slide are for short-term residential rentals – those 30 days or less. For rental of more than 30 days with signed lease, no sales tax and no hotel taxes apply.

Form RI-8478-Lines 1& 2 are used to calculate Local 1% Hotel Tax Owed, Back of Form Used for Distribution; Taxpayers file directly with Newport; No distribution to Newport.

Tax on Room Rental

Tax on short-term room rental (e.g., in someone's home):

- How tax applies

Type of tax	Tax rate
State sales tax:	7%
State hotel tax:	5%
Local hotel tax:	1%
Total:	13%

Similar to application of taxes to traditional hotel room.

Tax on Room Rental

Where the money goes

Type of tax	Distribution
7% State sales tax:	General Fund
5% State hotel tax:	Municipalities Commerce Corporation Providence/Warwick CBV Regional tourism councils
1% Local hotel tax	Municipalities

Similar to application of taxes to traditional hotel room

Tax on Room Rental

Tax on short-term room rental, such as a room in a home.

Form RI-8478 (Front):

May be used by:

- Homeowners
- Realtors with more than one property
- Homeowners with more than one property
- Hosting Platforms/ Room Resellers

Lines 3 & 4

Form RI -8478 (Back)

Used for Distribution of Local 1% and 5%

State of Rhode Island Division of Taxation
Form RI-8478
Residential Dwelling/Room Rental Tax Return

16124099990101

Name _____ FENVSIN/Permit number _____
Address _____ For the month ending _____
Address 2 _____
City, town or post office _____ Date _____ ZIP code _____ E-mail address _____

Calculation of Amount Due:

1 Total occupancy charges from a residential dwelling rented in its entirety for a period of thirty (30) days or less	1	
2 Local hotel tax. Multiply line 1 times 1% (0.01)	2	
3 Total occupancy charges from room rentals rented for a period of thirty (30) days or less	3	
4 Hotel and local hotel tax. Multiply line 3 times 6% (0.06)	4	
5 TOTAL AMOUNT DUE. Add lines 2 and 4	5	

State of Rhode Island Division of Taxation
Form RI-8478
Residential Dwelling/Room Rental Tax Return

16124099990102

Name _____ FENVSIN/Permit number _____

CITY OR TOWN	RESIDENTIAL DWELLING RENTAL - 1%	ROOM RENTAL - 6% TAX
Barrington 01		
Bristol 02		
Burrillville 03		
Central Falls 04		
Charlestown 05		
Coventry 06		
Cranston 07		
Cumberland 08		
East Greenwich 09		
East Providence 10		
Exeter 11		

* 7% Sales Tax Paid on Separate STR Form

Tax on Room Rental

Tax on short-term room rental (e.g., in someone's home):

- Example: Tad rents out a room in his Providence house at \$87.50 a night for four nights, for a total of \$350.00.

Type of tax	Tax	Distribution
7% State sales tax:	\$ 24.50	General Fund
5% State hotel tax:	\$ 17.50	Municipalities Commerce Corporation Providence/Warwick CBV Regional tourism councils
1% Local hotel tax	\$ 3.50	Municipalities
Total:	\$ 45.50	

Note: "Total" above is aggregate amount, for all three nights in total. Revenue from 5% state hotel tax is distributed, by statutory formula, to a number of recipients, including Commerce Corporation, municipalities, Providence Warwick Convention & Visitors Bureau, and regional tourism districts.

Filing Obligations

- Register with Division of Taxation
 - Business Application and Registration (BAR) (also known as sales and withholding tax registration form) is required and must be renewed annually.
- Collect and remit the applicable taxes to the Division of Taxation monthly, zero tax returns are also required, unless you request to be a seasonal business.

Filing Obligations: Forms

Form RI-8478, Residential Dwelling/Room Rental Tax Return

Used by:

- Hosting platforms (rooms, homes)
- Room resellers (rooms only)
- Realtors (typically homes; may handle multiple owners)
- Homeowners (may rent out rooms, one or more homes)

Used for:

- Calculating tax
- Allocating distribution based on location of property

Note: Newport filers file directly with City of Newport. Division of Taxation receives no information regarding rentals in Newport.

Filing Obligations: Forms

Form RI-8478

Residential Dwelling/ Room Rental Tax Return

State of Rhode Island Division of Taxation
Form RI-8478
Residential Dwelling/Room Rental Tax Return

10124019900101

Name: _____ FRS/STN/Parcel number: _____
Address: _____ For the month ending: _____
Address 2: _____
City/Town or post office: _____ State: _____ ZIP code: _____ E-mail address: _____

Calculation of Amount Due:

1. Total occupancy charges from a residential dwelling rented in its entirety for a period of thirty (30) days or less	1	
2. Local hotel tax. Multiply line 1 times 1% (0.01)	2	
3. Total occupancy charges from room rental rented for a period of thirty (30) days or less	3	
4. Hotel and local hotel tax. Multiply line 3 times 6% (0.06)	4	
5. TOTAL AMOUNT DUE. Add lines 2 and 4	5	

☐ Check this box if you have multiple rental units located in more than one city or town. You must complete the back of this form by entering the amount of tax owed to each city or town in which you have a rental unit.

DEFINITIONS

"Hotel" means any facility offering (a) rooms for which the public may for a consideration, obtain transient lodging accommodations. The term "hotel" shall include hotels, motels, tourist homes, tourist camps, lodging houses, and inns. The term "hotel" shall also include houses, condominiums or other residential dwelling units, regardless of the number of rooms, which are used and/or advertised for rent for occupancy. The term "hotel" shall not include schools, hospitals, sanitariums, nursing homes, and chronic care centers.

Hotel Tax. There is imposed a hotel tax of five percent (5%) upon the total consideration charged for occupancy of any space furnished by any hotel, travel packages, or room rental or room for as defined in § 44-15-T-3(b) in this state. A house, condominium, or other residential dwelling shall be exempt from the five percent (5%) hotel tax under this subsection if the house, condominium, or other residential dwelling is rented in its entirety.

In addition, there is imposed a local hotel tax of one percent (1%) upon the total consideration charged for occupancy of any space furnished by any hotel in this state.

Mail the completed form and payment by the 15th day following the end of the preceding month to:
RI Division of Taxation
One Capitol Hill
Providence, RI 02908

Under penalties of perjury, I declare that I have examined this return and accompanying schedule and statements, and to the best of my knowledge and belief, it is true, accurate and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Taxpayer signature: _____ Date: _____ Telephone number: _____
Print name: _____
Preparer address: _____ City/Town or post office: _____ State: _____ ZIP code: _____ FRS/STN: _____

Has the Division of Taxation audited your property? ☐ YES ☐ NO

Note top of form

Note calculation

Note back of form

State of Rhode Island Division of Taxation
Form RI-8478
Residential Dwelling/Room Rental Tax Return

10124019900102

Name: _____ FRS/STN/Parcel number: _____

CITY OR TOWN	RESIDENTIAL DWELLING RENTAL - 1%	ROOM RENTAL - 6% TAX
Barrington	01	
Bristol	02	
Burrillville	03	
Central Falls	04	
Charlestown	05	
Coventry	06	
Cranston	07	
Cumberland	08	
East Greenwich	09	
East Providence	10	
Exeter	11	
Foster	12	
Glocester	13	
Hopkinton	14	
Jamestown	15	
Johnston	16	
Lincoln	17	
Little Compton	18	
Middletown	19	
Narragansett	20	
Newport - Any hotel tax collected for rooms in the city of Newport should be remitted directly to the city of Newport		
New Shoreham	22	
North Kingstown	23	
North Providence	24	
North Smithfields	25	
Pawtucket	26	
Portsmouth	27	
Providence	28	
Richmond	29	
Schuyl	30	
Smithfield	31	
South Kingstown	32	
Tiverton	33	
Warren	34	
Wanskuck	35	
Westerly	36	
West Greenwich	37	
West Wanskuck	38	
Woonsocket	39	
TOTAL		


Filing Obligations: Forms

Monthly Hotel Tax Return

Form [RI-HOM](#)

STATE OF RHODE ISLAND DIVISION OF TAXATION
ONE CAPITOL HILL - STE 4 - PROVIDENCE, RI 02908-5802

HOTEL TAX RETURN

NAME		HOM	
ADDRESS			
CITY, STATE & ZIP CODE			
I HEREBY CERTIFY THAT THIS RETURN, TO THE BEST OF MY KNOWLEDGE AND BELIEF, IS A TRUE, CORRECT AND COMPLETE RETURN. SIGNATURE OF OWNER, PARTNER OR AUTHORIZED AGENT			
FORM RI-HOM REV'D 03/2021	TITLE	DATE	
	FEDERAL IDENTIFICATION NUMBER	RETURN FOR MONTH ENDING	
		1. TOTAL OCCUPANCY CONSIDERATION	
		2. LESS: EXEMPT ENTITIES	
		3. TAXABLE AMOUNT	
		HOTEL TAX RATE: 5% STATE TAX 1% LOCAL TAX	
		4. TAX AMOUNT DUE AND PAID (LINE 3 MULTIPLIED BY 6%)	\$

Filing Obligations: Forms

Monthly Sales and Use Tax Return

Form RI-STR

(Filed by all Short-term Residential Rental Filers, separate from the HOM Form or the RI-8478)

State of Rhode Island and Division of Taxation
Form RI-STR
 Sales and Use Tax Return

0712023495101

Name _____		Account identification number _____	
Address _____		Fax for periodic mailing _____	
Address 2 _____		R/MS code _____	
City, town or post office _____	State _____	ZIP code _____	E-mail address _____

Computation of Tax

a Gross Sales for the Period _____	1
b Reductions _____	2a
c Interstate Sales _____	2b
d Non-Taxable Sales and Services _____	2c
e Exempt Organizations _____	2d
f Other (Specify) _____	2e
3 Total Deductions (Add lines 2a through 2e) _____	3
4 Taxable Sales (Line 1 less line 3) _____	4
5 Total Total Sales Tax Due and Refunded to be Retained (Sales Tax) (Multiply line 4 by 7%) _____	5
6 Total Use Tax Due (Prior Use Tax Withheld or In Lieu of Use Tax) _____	6
7 Total Sales Tax and Use Tax Due (Add lines 5 and 6) _____	7
8a Payment of Sales Tax Submitted Capable Dealers Only _____	8a
b Other (Specify) _____	8b
9 Total Credits (Add lines 8a and 8b) _____	9
10 Amount Due (line 7 less line 9) _____	10

Under penalty of perjury, I declare that I have examined the return and accompanying schedules and statements, and to the best of my knowledge and belief, it is true, accurate and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Paid preparer signature _____	Print name _____	Date _____	Telephone number _____
Paid preparer address _____	City, town or post office _____	State _____	ZIP Code _____
			PTIN _____

May the Division of Taxation contact your company? YES

Filing Obligations

- ✓ Separate form(s) are used to remit sales tax
- ✓ Division works sales and hotel tax returns daily
- ✓ Division distributes funds one month after collection
- ✓ Distribution amounts fluctuate for various reasons:
 - Taxpayer error
 - Timing
 - Audits
- ✓ Market fluctuation (such as special events, # of available units)
- ✓ Prioritized so municipalities and tourism bureaus receive timely distributions-No backlog

Filing Obligations

Sales and hotel taxes are “trust fund” taxes

- Tax is paid by tenant
- Landlord serves merely as conduit for tax
- Funds cannot be for personal use
- Landlord must turn taxes over to State

Filing Obligations

Who is responsible?

- Rule of thumb:
 - The person or entity collecting the money for a rental is responsible for registering with the Division of Taxation, collecting applicable taxes, remitting applicable taxes, and filing returns
- Obligation could fall on property owner/landlord, real estate professional, website

Filing Obligations

Who is responsible?

Real estate professional:

- If the real estate professional lists a rental on behalf of property's owners, and collects the rental amount, the real estate professional must register with the Division, collect sales and hotel taxes from occupants, and remit those taxes to Division.
- Suppose real estate professional initiates the lease agreement and communicates with the tenant, but works at a real estate agency? In that case, the agency must register, collect, and remit – regardless of whether the agent is employed by the agency or treated as independent contractor

Filing Obligations

Who is responsible?

Example #1:

- Rick goes online to rent out his house, or just a room in his house, for a week at a time; the website collects the money from the tenant.
- In this example, the website – a “hosting platform” – must register with the Division and collect and remit the applicable tax.

Filing Obligations

Who is responsible?

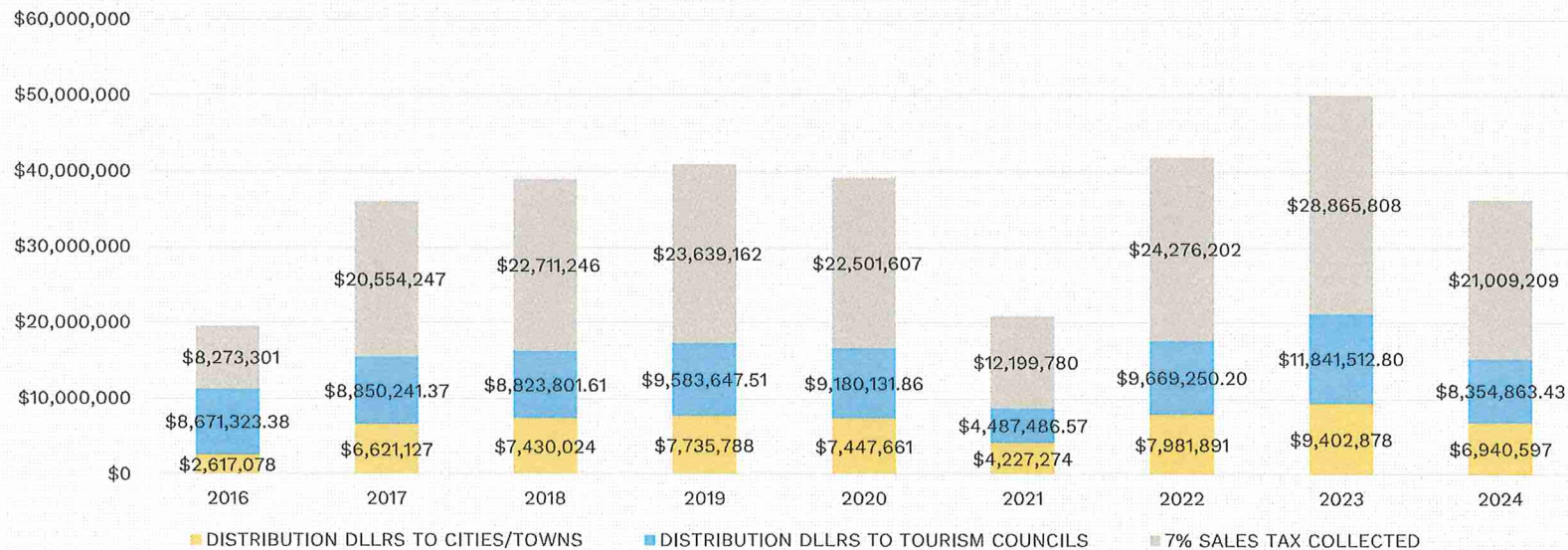
Example #2:

- Tammy goes online to rent out her house, or just a room in her house, for a week at a time. She uses the website to advertise the rentals. The tenant deals directly with Tammy and pays her directly for the rental.
- In this example, Tammy must register with the Division and collect and remit the applicable tax.

All Short-term Rental Distributions by Fiscal Year

This chart depicts the total State Hotel, Local Hotel, and Sales Tax dollars collected on all short-term rentals along with the total dollars distributed to Cities, Towns, and Tourism Bureaus by Fiscal Year.

HOTEL AND SHORT TERM RENTALS BY FISCAL YEAR
FY2016 to FY2023 including FY24 YTD



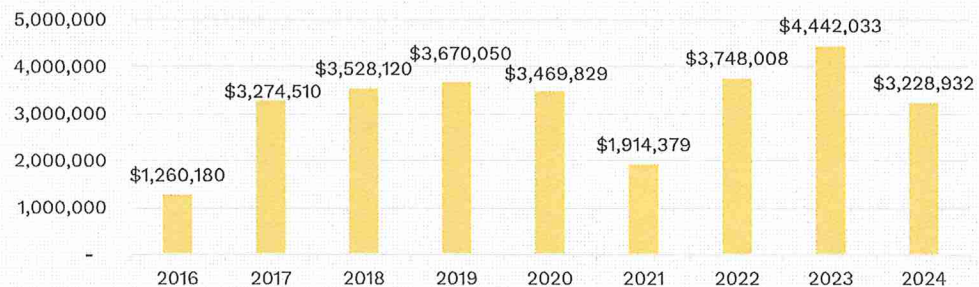
Source of data is the Division of Taxation. All dollars reported are based on Distribution Dates.

Distributions to Cities/Towns of 5% State Hotel Tax

- Municipalities receive one-fourth of all revenue from 5% statewide hotel tax
- The amount of money municipalities have received, in aggregate, from their portion of 5% statewide hotel tax for Fiscal Years 2016 to date (January 2024);
- Note: Amounts on these slides do not include Newport, which collects its own hotel tax.

Fiscal Year	25% of the Hotel Tax
2016	\$ 1,260,180
2017	\$ 3,274,510
2018	\$ 3,528,120
2019	\$ 3,670,050
2020	\$ 3,469,829
2021	\$ 1,914,379
2022	\$ 3,748,008
2023	\$ 4,442,033
2024 (YTD)	\$ 3,228,932
Grand Total	\$ 28,536,040

DOLLARS DISTRIBUTED TO CITIES/TOWNS
One-Fourth of the 5% Hotel Tax
 FY2016 to FY2023 including FY24 YTD



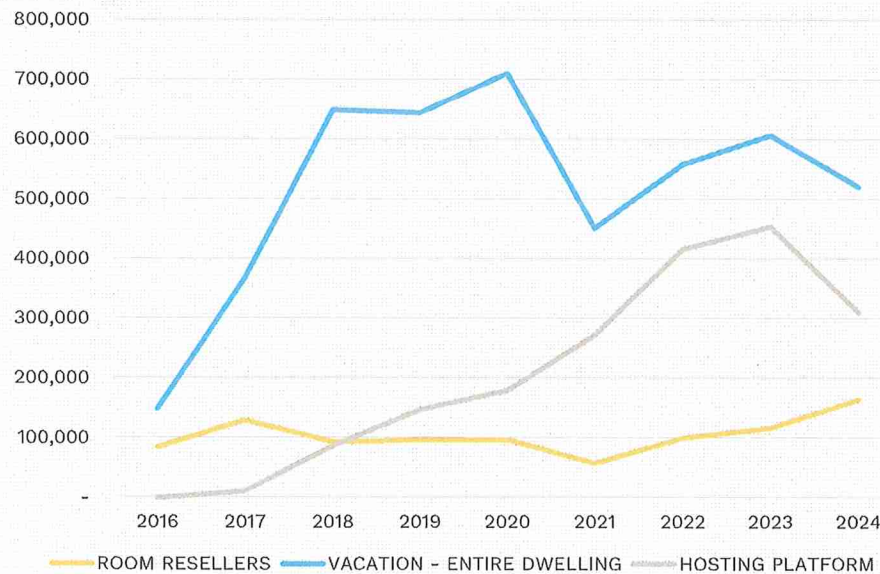
Fiscal Year 2024 amount is through December 2023. Thus, in general, it includes activity through October 2023, reported in November 2023, and distributed to municipalities in December 2023. Note that amounts above do not include tax from room resellers.

Source of data is the Division of Taxation. All dollars reported are based on Distribution Dates.

How much do we distribute to Cities and Towns?

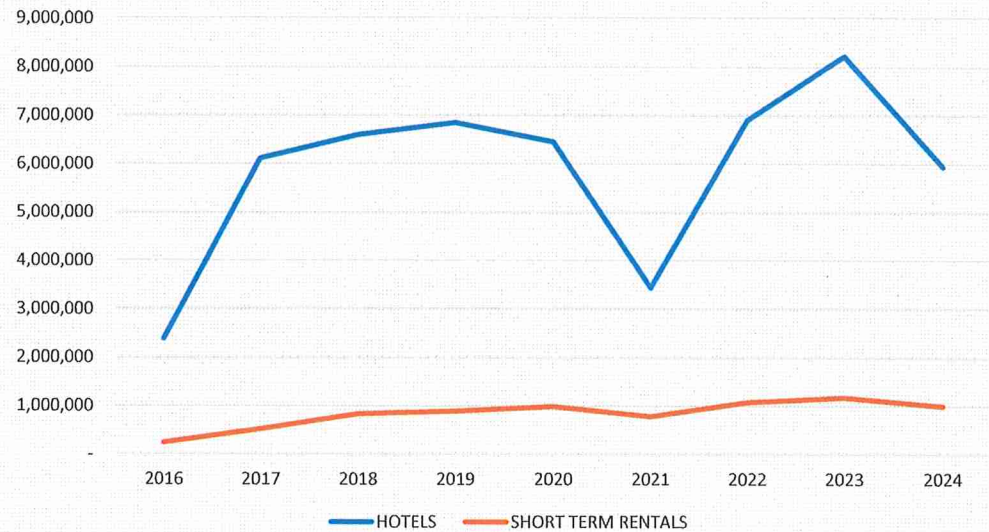
These dollars represent the total distributed dollars to cities and towns for Room Resellers, Vacation Homes, and Hosting Platform including the 1% and the 25% of the 5%.

DOLLARS DISTRIBUTED TO CITIES/TOWNS
FY2016 to FY2023 including FY24 YTD



This chart compares the distribution to cities and towns between dollars collected for the Hotel Tax vs all Short-Term Rentals (orange line is the sum of the Room Resellers, Vacation, and Hosting Platform dollars on the left side chart).

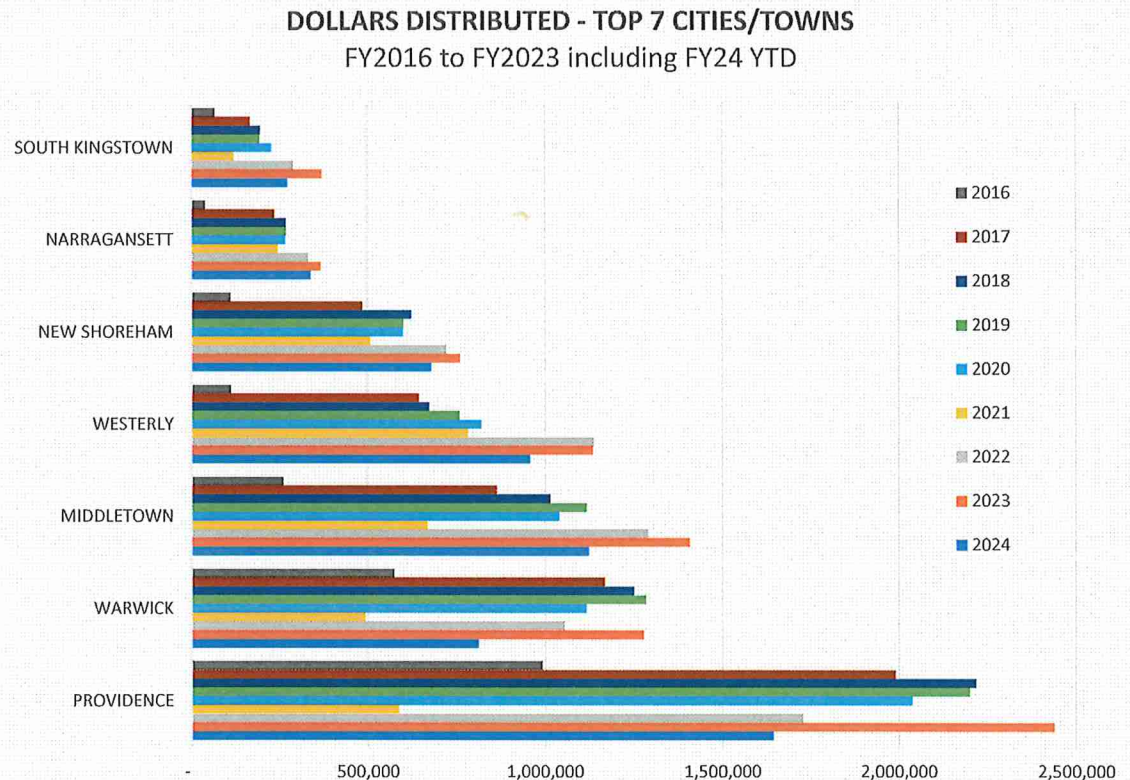
DOLLARS DISTRIBUTED TO CITIES/TOWNS
HOTEL vs SHORT TERM RENTALS
FY2016 to FY2023 including FY24 YTD



Source of data is the Division of Taxation. All dollars reported are based on Distribution Dates.

Cities and Towns with the highest distributions?

- These are the 7 cities/town that have received the most in dollars.
- Dollars reported include the 1% and the ¼ of the 5% Hotel Tax.
- Dollars include tax dollars collected from Hotels and Short-Term Rentals (Room Resellers, Vacation, and Hosting Platforms).



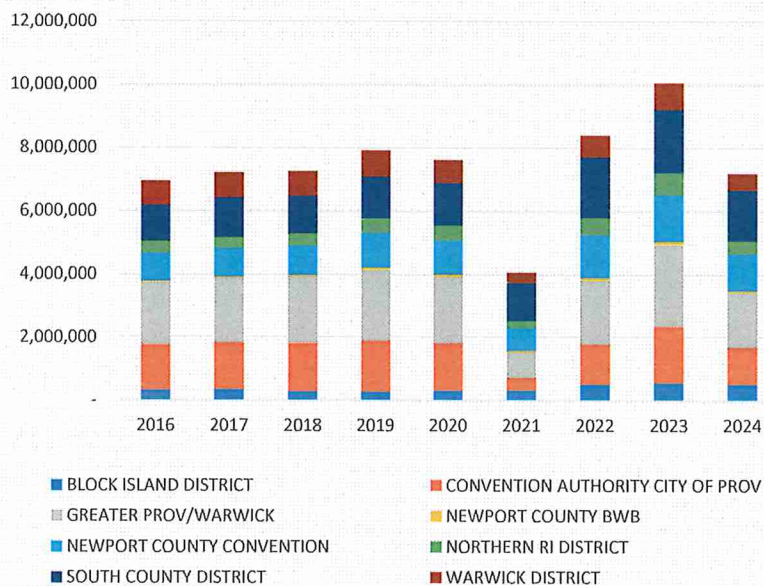
Source of data is the Division of Taxation. All dollars reported are based on Distribution Dates.

How much is distributed to Tourism Bureaus?

Tourism councils receive a portion of the taxes paid by Hotels and Short-Term Rentals (Room Resellers, Vacation, and Hosting). The charts below are the sum of those dollars to report on total distribution to Tourism Bureaus.

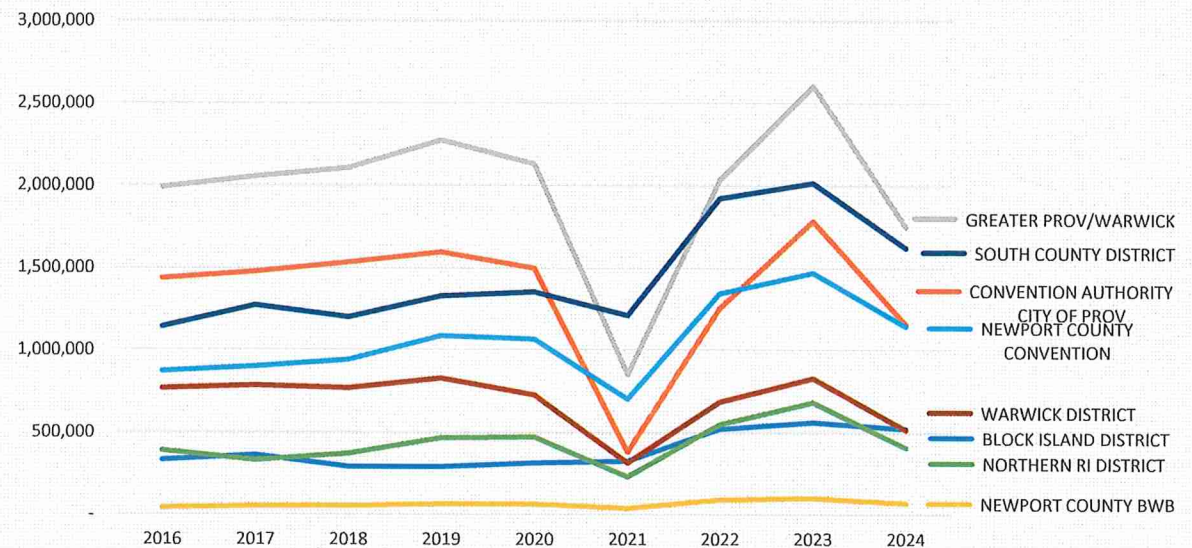
DOLLARS DISTRIBUTED TO TOURISM COUNCILS

FY2016 to FY2023 including FY24 YTD



DOLLARS DISTRIBUTED TO TOURISM COUNCILS

FY2016 to FY2023 including FY24 YTD



Source of data is the Division of Taxation. All dollars reported are based on Distribution Dates.

Distributions

Where revenue from the 5% hotel tax goes – overall:

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 (YTD)
Other tourism districts*	\$4,970,711	\$5,171,061	\$5,153,387	\$5,655,980	\$5,360,414	\$2,951,331	\$5,993,949	\$7,037,810	\$5,163,757
Commerce Corporation - including Newport dollars but not including TIF distributions	\$3,703,274	\$4,797,796	\$6,028,542	\$5,084,276	\$5,184,850	\$2,741,409	\$5,728,435	\$6,469,004	\$4,683,333
Municipalities	\$1,260,180	\$3,274,510	\$3,528,120	\$3,670,050	\$3,469,829	\$1,914,379	\$3,748,008	\$4,442,033	\$3,228,932
Providence/Warw CVB	\$1,989,250	\$2,053,770	\$2,106,822	\$2,274,372	\$2,086,782	\$803,415	\$1,953,448	\$2,518,240	\$1,690,098
East Prov. Escrow (only until 2023)	\$45,486	\$49,097	\$31,851	\$58,622	\$59,163	\$52,091	\$5,003	\$0	\$0
Total:**	\$11,968,900	\$15,346,235	\$16,848,723	\$16,743,300	\$16,161,038	\$8,462,626	\$17,428,843	\$20,467,086	\$14,766,118

*Tourism districts not otherwise specified in this chart.

**Note that amounts above do not include tax from room resellers.

Source of data is the Division of Taxation. All dollars reported are based on Distribution Dates.

Distributions

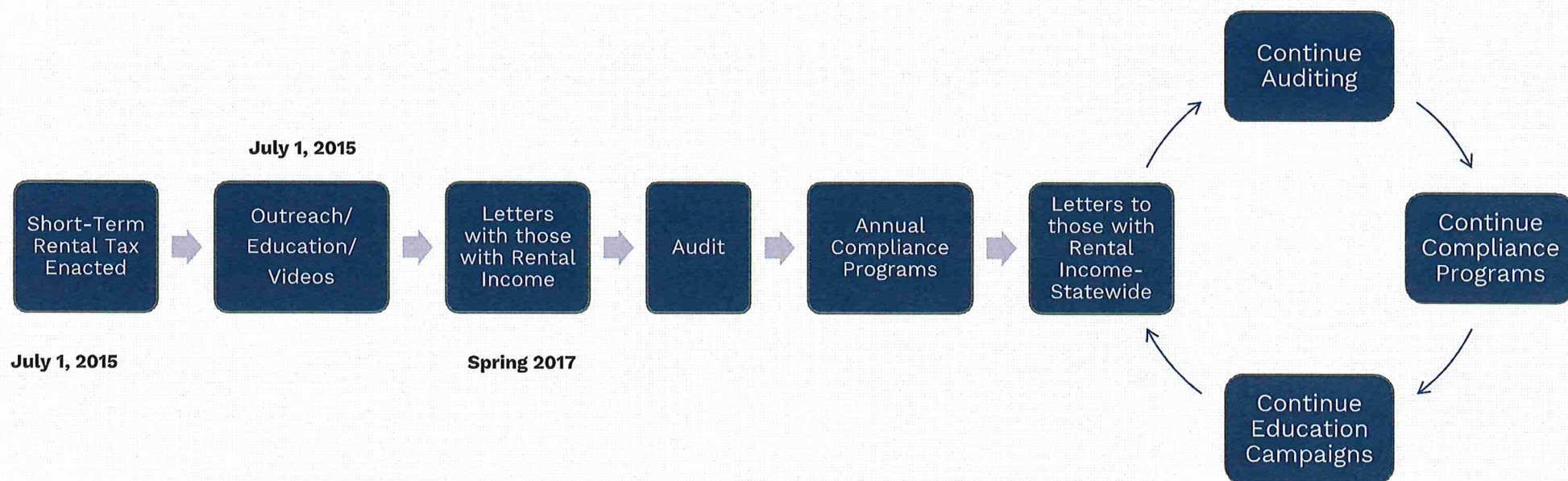
Formula for 5% statewide hotel tax

Revenue from 5% statewide hotel tax is carved up and distributed via formula set by statute.

For example, for each \$1.00 in tax collected from hotels on Block Island, Division of Taxation distributes it as follows:

- 42% to New Shoreham Tourism Council
- 28% to Commerce Corporation
- 25% to New Shoreham
- 5% to Providence Warwick Convention & Visitors Bureau

Short-Term Rental Tax Compliance Timeline



Statutory Definitions/Information

Statutory Definition of “Hotel”:

“Hotel” means any facility offering a minimum of one (1) room for which the public may, for a consideration, obtain transient lodging accommodations. The term “hotel” shall include hotels, motels, tourist homes, tourist camps, lodging houses, and inns. The term “hotel” shall also include houses, condominiums or other residential dwelling units, regardless of the number of rooms, which are used and/or advertised for rent for occupancy. The term “hotel” shall not include schools, hospitals, sanitariums, nursing homes, and chronic care centers.

– Rhode Island General Laws § 42-63.1-2

Statutory Definitions/Information

Statutory Definition of “Hosting Platform”:

“Hosting platform” means any electronic or operating system in which a person or entity provides a means through which an owner may offer a residential unit for “tourist or transient” use. This service is usually, though not necessarily, provided through an online or web-based system which generally allows an owner to advertise the residential unit through a hosted website and provides a means for a person or entity to arrange tourist or transient use in exchange for payment, whether the person or entity pays rent directly to the owner or to the hosting platform. All hosting platforms are required to collect and remit the tax owed under this section.

– Rhode Island General Laws § 42-63.1-2

Statutory Definitions/Information

Statutory Definition of “Room reseller or reseller”:

“Room reseller” or “reseller” means any person, except a tour operator as defined in § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the reservation or transfer of which is subject to this chapter, such that the occupant pays all or a portion of the rental and other fees to the room reseller or reseller, room reseller or reseller shall include, but not be limited to, sellers of travel packages as defined in this section. Notwithstanding the provisions of any other law, where said reservation or transfer of occupancy is done using a room reseller or reseller, the application of the sales and use tax under §§ 44-18-18 and 44-18-20, and the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or reseller is required to register with, and shall collect and pay to, the tax administrator the sales and use and hotel taxes, with said taxes being calculated upon the amount of rental and other fees paid by the occupant to the room reseller or reseller, less the amount of any rental and other fees paid by the room reseller or reseller to the hotel....

– Rhode Island General Laws § 44-18-7.3

Statutory Definitions/Information

Further information from statute:

For any residential unit offered for tourist or transient use on a hosting platform that collects and remits applicable sales and hotel taxes in compliance with § 44-18-7.3(b)(4)(i), § 44-18-18, and § 44-18-36.1, cities, towns or municipalities shall not prohibit the owner of such residential unit from offering the unit for tourist or transient use through such hosting platform, or prohibit such hosting platform from providing a person or entity the means to rent, pay for or otherwise reserve a residential unit for tourist or transient use. A hosting platform shall comply with the requirement imposed upon room resellers in § 44-18-7.3(b)(4)(i) and § 44-18-36.1 in order for the prohibition of this section to apply. The division of taxation shall at the request of a city, town, or municipality confirm whether a hosting platform is registered in compliance with § 44-18-7.3(b)(4)(i).

– Rhode Island General Laws § 42-63.1-14

Statutory Definitions/Information

Department of Business Regulation Short-Term Rental Registration (Enacted in 2021):

§ 42-63.1-14. Offering residential units through a hosting platform.

(a) For any rental property offered for tourist or transient use on a hosting platform that collects and remits applicable sales and hotel taxes in compliance with §§ 44-18-7.3(b)(4)(i), 44-18-18, and 44-18-36.1, cities, towns, or municipalities shall not prohibit the owner from offering the unit for tourist or transient use through such hosting platform, or prohibit such hosting platform from providing a person or entity the means to rent, pay for, or otherwise reserve a residential unit for tourist or transient use. A hosting platform shall comply with the requirement imposed upon room resellers in §§ 44-18-7.3(b)(4)(i) and 44-18-36.1 in order for the prohibition of this section to apply. The division of taxation shall at the request of a city, town, or municipality confirm whether a hosting platform is registered in compliance with § 44-18-7.3(b)(4)(i).

(b) Any short-term rental property listed for rent on the website of any third-party hosting platform that conducts business in Rhode Island shall be registered with the department of business regulation. The registration shall provide the information necessary to identify the property pursuant to subsection (d) of this section. For purposes of this section, the term "short-term rental" means a person, firm, or corporation's utilization, for transient lodging accommodations, not to exceed thirty (30) nights at a time.

(c) The department of business regulation shall contact all hosting platforms that list property in Rhode Island on their website for rent and that submit hotel taxes to the division of taxation and shall provide notice of the registration requirement, pursuant to this section, instructing the hosting platforms to notify their listed properties to register with the department of business regulation by December 31, 2021, or be subject to fines pursuant to § 42-63.1-14.1.

(d) The state registration pursuant to this section shall include:

(1) The principal place of business of the owner, or if outside the state, the agent for service of process or property manager for the owner;

(2) The phone number of the owner of the property and/or property manager;

(3) The email address of the property owner and/or property manager;

(4) The address of the rental property;

(5) The number of rooms for rent at the property;

(6) Whether the registrant rents or owns; and

(7) Intended use (entire space, private room, or shared space).

(e) The assigned registration number shall consist of numeric and alpha characters, the alpha characters shall correspond to the city/town where the property is located and shall be uniform for the remaining properties in said city/town.

(f) The department of business regulation shall notify all hosting platforms to contact all listed properties by December 31, 2021, to ensure compliance with this section and if the listed properties are not duly registered after six (6) months, the hosting platform shall remove the property listing from its website.

(g) The department of business regulation shall promulgate rules and regulations to correspond with and enforce this section and § 42-63.1-14.1 and may charge a registration fee to property owners registering with the department pursuant to this section.

(h) The department of business regulation shall create an online database to store all registered short-term rental units, and each unit shall have an online identification number in said database to correspond with subsection (e) of this section.

(i) Any owner of the property who or that fails to register with the department of business regulation as prescribed herein and lists the property as a short-term rental on a hosting platform website shall be subject to a civil fine as follows:

(1) Two hundred fifty dollars (\$250) for the first thirty (30) days of non-compliance;

(2) Five hundred dollars (\$500) for between thirty-one (31) and sixty (60) days of non-compliance; and

(3) One thousand dollars (\$1,000) for more than sixty (60) days of non-compliance.

Contact & Resources

Sales & Excise Tax

- Phone: 401-574-8955
- Email: Tax.Excise@tax.ri.gov

Hotel Tax Webpage

- [Hotel Tax | RI Division of Taxation](#)

Relevant Forms

- [Sales & Excise Forms | RI Division of Taxation](#)

Tax Portal

- <https://taxportal.ri.gov/>

Electronic Filing Mandate

- [Electronic Filing Mandate | RI Division of Taxation](#)

Questions

