



May 28, 2026

The Honorable Louis DiPalma  
Chair, Senate Finance Committee  
82 Smith Street  
Providence, RI 02903

Dear Chairman DiPalma and Members of the Committee,

On behalf of the RI Hospitality Association, I write in support of S 2082, which gradually phases out the state's 1% local meals and beverage tax beginning in 2027 and fully sunsets the tax by January 1, 2030.

Restaurants, bars, cafés, and other hospitality businesses continue to face significant economic pressures, including rising food costs, labor shortages, increasing utility expenses, and ongoing inflationary challenges. At the same time, Rhode Island consumers are increasingly price sensitive and are making dining decisions based on affordability and value.

The local meals and beverage tax adds an additional burden to every dining purchase made in Rhode Island. While 1% may appear modest on paper, it compounds alongside the state sales tax and other operating costs, ultimately making Rhode Island establishments less competitive.


S 2082 provides a responsible and gradual approach to tax relief. By reducing the tax incrementally over several years rather than eliminating it immediately, municipalities are given time to adjust while consumers and small businesses begin to experience meaningful relief. This phased approach strikes an appropriate balance between supporting local government finances and strengthening Rhode Island's hospitality economy.


The hospitality industry is one of Rhode Island's largest employers and a critical driver of tourism, small business growth, and community activity. Reducing the meals and beverage tax will help encourage dining activity, support local restaurants, and keep more consumer spending circulating within Rhode Island's economy.

For these reasons, we respectfully urge the Committee to support S 2082.

Thank you for your consideration.

Sincerely,

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 [www.RIHospitality.org](http://www.RIHospitality.org)

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