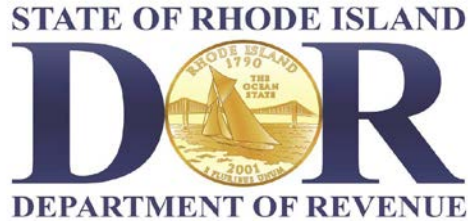


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Governor Gina M. Raimondo



Office of Revenue Analysis

State of Rhode Island Monthly State Hotel Report
FY 2016 State 5.0 Percent Hotel Tax Allocation July 2015

Beginning in June 2012, the Rhode Island Department of Revenue will issue a report on the allocation of the state 5.0 percent hotel tax as required by Rhode Island General Laws §§ 42-63.1-3 and 42-63.1-12. The report is meant to be descriptive and does not purport to project or assess the collection of the state 5.0 percent hotel tax. The report provides information on the year-over-year and fiscal year-to-date allocation of the revenues collected for the state 5.0 percent hotel tax.

The July 2015 state 5.0 percent hotel tax collections report is the first report in FY 2016 that includes tax receipts generated from the expansion of the state hotel tax base. Effective July 1, 2015, the reselling of lodging by online travel companies and the unlicensed rental of accommodations via internet platforms and other media became subject to the state 5.0 percent hotel tax. It should be noted that state hotel tax receipts received from the unlicensed rental of accommodations via internet platforms and other media are divided between the municipality where the rental occurred (25 percent) and the Rhode Island Commerce Corporation (75 percent) only. At this time, the Office of Revenue Analysis is unable to identify the amount collected from each of these state hotel tax base expansion components. Thus, an unknown amount of state 5.0 percent hotel tax receipts are presumed to be captured in this report. Also effective July 1, 2015 the General Assembly accepted the Governor's proposal to transfer the state's share and the statewide tourism district's share of the state 5.0 percent hotel tax from general revenues to the Rhode Island Commerce Corporation (RICC) for a state level tourism promotion and business attraction campaign.

SUMMARY OF THE STATE 5.0 PERCENT HOTEL TAX ALLOCATION

Analysis of Year-over-Year Allocation for July:

The following table is a summary of the year-over-year allocation of revenues generated from the state 5.0 percent hotel tax.

Allocation	July 2015	July 2014	Percent Change	Nominal Difference
Regional Tourism Districts	\$ 1,126,462	\$ 903,525	24.7 %	\$ 222,937
Municipalities	638,585	514,372	24.1 %	124,213
State of Rhode Island	0	454,744	-100.0 %	(454,744)
Rhode Island Commerce Corporation	568,681	0	n/a	568,681
Prov. Warwick Convention & Visitors Bureau	304,274	243,626	24.9 %	60,648
Rhode Island Convention Center Authority	35,855	25,191	42.3 %	10,664
TOTAL STATE 5.0% HOTEL TAX	\$ 2,673,857	\$ 2,141,458	24.9 %	\$ 532,399

The total revenues generated from the state 5.0 percent hotel tax in July 2015 were \$2.7 million, an increase of \$532,399 or 24.9 percent over the \$2.1 million received in July 2014. The largest share of these revenues is distributed to the State's eight regional tourism districts. In July 2015, the regional tourism districts received \$1.1 million of the total revenues generated from the state 5.0 percent hotel tax, an increase of \$222,937 or 24.7 percent over the \$903,525 received in July 2014.

Twenty-five percent of the revenues generated from the state 5.0 percent hotel tax are distributed to the municipalities where the individual hotels are located. The City of Providence receives the same allocation from all of the hotels located in the city, except from the Omni Providence Hotel. In July 2015, the State's cities and towns received \$638,585, an increase of \$124,213 or 24.1 percent over the \$514,372 received in July 2014.

The Rhode Island Convention Center Authority (RICCA) receives 30.0 percent of the revenues generated from the state 5.0 percent hotel tax at the Omni Providence Hotel. In July 2015, the RICCA received \$35,855, an increase of \$10,664 or 42.3 percent over the \$25,191 received in July 2014.

Effective July 1, 2015 the Rhode Island Commerce Corporation's (RICC) share of the revenues generated from the state 5.0 percent hotel tax is 21.0 percent, except from the Omni Providence Hotel where it is 27.0 percent. Before these enacted changes, the RICC's share of state hotel tax was deposited as general revenues. For comparison purposes, in July 2015, the RICC received \$568,681 from the state 5.0 percent hotel tax, an increase of \$113,937 or 25.1 percent over the \$454,744 received in July 2014 which was deposited as general revenues.

The Providence Warwick Convention & Visitors Bureau (PWCVB) receives 23.0 percent of the revenues generated from the assessment of the state 5.0 percent hotel tax at hotels located in Providence and Warwick, 12.0 percent of the revenues generated from the assessment of the state 5.0 percent hotel tax at the Omni Providence Hotel, and 7.0 percent of the revenues generated from the assessment of the state 5.0 percent hotel tax at all other hotels located in the State. In July 2015, the PWCVB received \$304,274, an increase of \$60,648 or 24.9 percent over the \$243,626 received in July 2014.

Analysis of Fiscal Year-to-Date through July:

Given that July is the first month of the fiscal year there are no differences between the year-over year and the fiscal year-to-date analyses.

DETAIL OF THE STATE 5.0 PERCENT HOTEL TAX ALLOCATION

Analysis of Year-over-Year Allocation for July:

The table *Detail of Rhode Island State 5.0% Hotel Tax Allocation: Year-over-Year Collections* provides a breakdown of the distribution of the revenues generated from the state 5.0 percent hotel tax on a year-over-year basis. The State's eight regional tourism districts include: (1) Aquidneck Island Tourism District¹; (2) Block Island; (3) the Convention Authority of the City of Providence; (4) East Providence²; (5) Northern Rhode Island Tourism District³; (6) South County Tourism District⁴; (7) the Statewide Tourism District⁵; and (8) the Warwick Department of Economic Development. The regional tourism districts are administered by either a regional council, a municipal government entity, or, as in the case of the Statewide Tourism District, the Rhode Island Commerce Corporation.

In general, the regional tourism districts receive 47.0 percent of the revenues generated from the application of the state 5.0 percent hotel tax at hotels located in the district. The exceptions to this allocation are the Convention Authority of the City of Providence, which receives 31.0 percent of the state 5.0 percent hotel tax revenues generated from all of the hotels situated in Providence including the Omni Providence Hotel, and the Warwick Department of Economic Development, which receives 31.0 percent of the state 5.0 percent hotel tax revenues generated from all of the hotels located in Warwick.

In July 2015, the Aquidneck Island Tourism District was the largest recipient of the tourism districts' share of the state 5.0 percent hotel tax at \$459,082, an increase of \$97,290 or 26.9 percent over the \$361,792 received in July 2014. The South County Tourism District was the second largest recipient of the tourism districts' share of the state 5.0 percent hotel tax in July 2015 at \$241,115, an increase of \$40,828 or 20.4 percent over the \$200,287 received in July 2014. The Convention Authority of the City of Providence received the third largest portion of the tourism districts' share of the state 5.0 percent hotel tax at \$156,860, an increase of \$35,590 or 29.3 percent over the \$121,270 received in July 2014.

The three regional tourism districts with the largest percentage increase in revenues generated from the state 5.0 percent hotel tax between July 2015 and July 2014 were: Northern Rhode Island,

¹ Barrington, Bristol, Jamestown, Little Compton, Middletown, Newport, Portsmouth, Tiverton, and Warren

² East Providence is not a member of any tourism district at this time. At such time that the City elects to join an established tourism district, all accrued and future revenues generated from the assessment of the state 5.0 percent hotel tax at hotels located in East Providence will be allocated to the selected tourism district.

³ Burrillville, Central Falls, Cumberland, Glocester, Lincoln, North Smithfield, Pawtucket, Smithfield and Woonsocket

⁴ Charlestown, Coventry, East Greenwich, Exeter, Hopkinton, Narragansett, North Kingstown, Richmond, South Kingstown, West Greenwich, and Westerly

⁵ Cranston, Foster, Johnston, North Providence, Scituate, and West Warwick

31.0 percent; the Convention Authority of the City of Providence, 29.3 percent; and Aquidneck Island, 26.9 percent. There were no regional tourism districts with a percentage decrease in revenues generated from the state 5.0 percent hotel tax between July 2015 and July 2014.

The three regional tourism districts with the largest nominal increase in revenues generated from the state 5.0 percent hotel tax between July 2015 and July 2014 were: Aquidneck Island, \$97,290; the South County Tourism District, \$40,828; and the Convention Authority of the City of Providence, \$35,590. There were no regional tourism districts with a nominal decrease in revenues generated from the state 5.0 percent hotel tax between July 2015 and July 2014.

The table *Rhode Island State 5.0% Hotel Tax Allocation to Municipalities: Year-over-Year Collections* shows the portion of revenues generated from the state 5.0 percent hotel tax distributed to the cities and towns in Rhode Island. In July 2015, Newport received the largest portion of the municipalities' share of the revenues generated from the state 5.0 percent hotel tax at \$153,531, an increase of \$41,076 or 36.5 percent over the \$112,455 received in July 2014. Providence received the second largest portion of the municipalities' share of the state 5.0 percent hotel tax in July 2015 at \$96,621, an increase of \$19,815 or 25.8 percent over the \$76,806 received in July 2014. Middletown received the third largest portion of the municipalities' share of the state 5.0 percent hotel tax in July 2015 at \$81,373, an increase of \$9,034 or 12.5 percent over the \$72,339 received in July 2014.

The five municipalities with the largest percentage increase in revenues generated from the state 5.0 percent hotel tax between July 2015 and July 2014 were: Glocester, 161.0 percent; Cranston, 86.3 percent; Little Compton, 83.2 percent; Charlestown, 78.2 percent; and Portsmouth, 67.2 percent. The two municipalities with a percentage decrease in revenues generated from the state 5.0 percent hotel tax between July 2015 and July 2014 were: Jamestown, -2.5 percent; and Richmond, -0.3 percent.

The five municipalities with the largest nominal increase in revenues generated from the state 5.0 percent hotel tax between July 2015 and July 2014 were: Newport, \$41,076; Providence, \$19,815; Warwick, \$13,940; Westerly, \$13,852; and Middletown, \$9,034. The two municipalities with a nominal decrease in revenues generated from the state 5.0 percent hotel tax between July 2015 and July 2014 were: Jamestown, \$(27); and Richmond, \$(1).

Analysis of Fiscal Year-to-Date through July:

Given that July is the first month of the fiscal year there are no differences between the year-over-year and the fiscal year-to-date analyses.



David M. Sullivan
Acting Director, Department of Revenue

October 6, 2015

DETAIL OF RHODE ISLAND STATE 5.0% HOTEL TAX ALLOCATION
Year-over-Year and Fiscal Year-to-Date Collections

Allocation	Share	Year-over-Year and Fiscal Year-to-Date				
		July 2015	July 2014	Percent Change	Difference	
<u>PROVIDENCE HOTELS ^</u>						
Convention Authority of Providence	31%	\$ 119,810	\$ 95,239	25.8%	\$ 24,571	
City of Providence	25%	96,621	76,806	25.8%	19,815	
State of Rhode Island General Revenues *	0%	-	64,517	-100.0%	(64,517)	
Rhode Island Commerce Corporation *	21%	81,161	-	n/a	81,161	
Prov. Warwick Convention & Visitors Bureau	23%	88,891	70,661	25.8%	18,230	
Subtotal - Providence Hotels	100%	\$ 386,483	\$ 307,222	25.8%	\$ 79,261	
<u>OMNI PROVIDENCE HOTEL *</u>						
Convention Authority of Providence	31%	\$ 37,050	\$ 26,031	42.3%	\$ 11,019	
Rhode Island Convention Center Authority	30%	35,855	25,191	42.3%	10,664	
State of Rhode Island General Revenues *	0%	-	22,672	-100.0%	(22,672)	
Rhode Island Commerce Corporation *	27%	32,270	-	n/a	32,270	
Prov. Warwick Convention & Visitors Bureau	12%	14,342	10,077	42.3%	4,265	
Subtotal - Omni Providence Hotel	100%	\$ 119,517	\$ 83,971	42.3%	\$ 35,546	
<u>WARWICK HOTELS</u>						
Warwick Dept. of Economic Dev.	31%	\$ 95,501	\$ 78,216	22.1%	\$ 17,285	
City of Warwick	25%	77,017	63,078	22.1%	13,940	
State of Rhode Island General Revenues *	0%	-	52,985	-100.0%	(52,985)	
Rhode Island Commerce Corporation *	21%	64,695	-	n/a	64,695	
Prov. Warwick Convention & Visitors Bureau	23%	70,856	58,031	22.1%	12,825	
Subtotal - Warwick Hotels	100%	\$ 308,069	\$ 252,311	22.1%	\$ 55,759	
<u>ALL OTHER HOTELS</u>						
<u>Regional Tourism Districts</u>						
<i>South County</i>	47%	\$ 241,115	\$ 200,287	20.4%	\$ 40,828	
<i>Northern RI</i>	47%	49,811	38,028	31.0%	11,784	
<i>Aquidneck Island</i>	47%	459,082	361,792	26.9%	97,290	
<i>Block Island</i>	47%	97,110	83,316	16.6%	13,793	
<i>East Providence</i>	47%	5,537	5,257	5.3%	280	
<i>Statewide (RI Commerce Corporation)</i>	47%	21,446	15,359	39.6%	6,087	
Subtotal - Tourism Districts	47%	\$ 874,100	\$ 704,038	24.2%	\$ 170,062	
Municipalities (excluding Providence & Warwick)	25%	\$ 464,947	\$ 374,488	24.2%	\$ 90,459	
State of Rhode Island General Revenues *	0%	-	314,570	-100.0%	(314,570)	
Rhode Island Commerce Corporation *	21%	390,556	-	n/a	390,556	
Prov. Warwick Convention & Visitors Bureau	7%	130,185	104,857	24.2%	25,328	
Subtotal - All Other Hotels	100%	\$ 1,859,788	\$ 1,497,954	24.2%	\$ 361,834	
TOTAL 5.0 PERCENT STATE HOTEL TAX		\$ 2,673,857	\$ 2,141,458	24.9%	\$ 532,399	

^ The City of Providence does not receive any share of the state 5.0 percent hotel tax revenues generated from the Omni Providence Hotel.

* Revenues received after July 1, 2015 are transferred to the Rhode Island Commerce Corporation. These revenues were previously deposited as general revenues.

RHODE ISLAND STATE 5.0% HOTEL TAX ALLOCATION TO MUNICIPALITIES
Year-over-Year and Fiscal Year-to-Date Collections

MUNICIPALITY	Year-over-Year and Fiscal Year-to-Date			
	July 2015	July 2014	Percent Change	Difference
BARRINGTON	\$ -	\$ -	n/a	\$ -
BRISTOL	5,134	4,717	8.8%	417
BURRILLVILLE	-	-	n/a	-
CENTRAL FALLS	-	-	n/a	-
CHARLESTOWN	4,910	2,755	78.2%	2,154
COVENTRY	7,791	5,841	33.4%	1,950
CRANSTON	1,112	597	86.3%	515
CUMBERLAND	-	-	n/a	-
EAST GREENWICH	16	-	n/a	16
EAST PROVIDENCE	2,945	2,796	5.3%	149
EXETER	-	-	n/a	-
FOSTER	-	-	n/a	-
GLOCESTER	121	46	161.0%	75
HOPKINTON	-	-	n/a	-
JAMESTOWN	1,054	1,081	-2.5%	(27)
JOHNSTON	592	464	27.6%	128
LINCOLN	5,994	5,467	9.6%	527
LITTLE COMPTON	70	38	83.2%	32
MIDDLETOWN	81,373	72,339	12.5%	9,034
NARRAGANSETT	12,656	11,618	8.9%	1,038
NEWPORT	153,531	112,455	36.5%	41,076
NEW SHOREHAM	51,654	44,317	16.6%	7,337
NORTH KINGSTOWN	6,476	5,829	11.1%	647
NORTH PROVIDENCE	-	-	n/a	-
NORTH SMITHFIELD	180	117	54.0%	63
PAWTUCKET	3,892	3,359	15.9%	534
PORTSMOUTH	3,030	1,812	67.2%	1,218
PROVIDENCE	96,621	76,806	25.8%	19,815
RICHMOND	334	335	-0.3%	(1)
SCITUATE	435	-	n/a	435
SMITHFIELD	12,823	7,934	61.6%	4,889
SOUTH KINGSTOWN	13,795	12,195	13.1%	1,600
TIVERTON	-	-	n/a	-
WARREN	-	-	n/a	-
WARWICK	77,017	63,078	22.1%	13,940
WESTERLY	75,600	61,748	22.4%	13,852
WEST GREENWICH	6,675	6,214	7.4%	461
WEST WARWICK	9,269	7,109	30.4%	2,160
WOONSOCKET	3,485	3,305	5.5%	181
TOTAL	\$ 638,585	\$ 514,372	24.1%	\$ 124,213