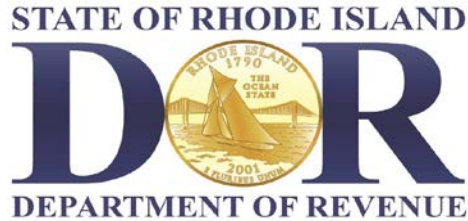


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Governor Gina M. Raimondo



Office of Revenue Analysis

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

Beginning in June 2012, the Rhode Island Department of Revenue began issuing 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 October 2015 state 5.0 percent hotel tax collections report may include 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 may 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 October:

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

Allocation	October 2015	October 2014	Percent Change	Nominal Difference
Regional Tourism Districts	\$ 777,714	\$ 744,953	4.4 %	\$ 32,761
Municipalities	447,785	425,058	5.3 %	22,728
State of Rhode Island	0	389,497	-100.0 %	(389,497)
Rhode Island Commerce Corporation	412,371	0	n/a	412,371
Prov. Warwick Convention & Visitors Bureau	247,204	224,849	9.9 %	22,355
Rhode Island Convention Center Authority	40,257	36,054	11.7 %	4,204
TOTAL STATE 5.0% HOTEL TAX	\$ 1,925,333	\$ 1,820,410	5.8 %	\$ 104,922

The total revenues generated from the state 5.0 percent hotel tax in October 2015 were \$1.9 million, an increase of \$104,922 or 5.8 percent over the \$1.8 million received in October 2014. The largest share of these revenues is distributed to the State's eight regional tourism districts. In October 2015, the regional tourism districts received \$777,714 of the total revenues generated from the state 5.0 percent hotel tax, an increase of \$32,761 or 4.4 percent over the \$744,953 received in October 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 October 2015, the State's cities and towns received \$447,785, an increase of \$22,728 or 5.3 percent over the \$425,058 received in October 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 October 2015, the RICCA received \$40,257, an increase of \$4,204 or 11.7 percent over the \$36,054 received in October 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, RICC's share of the state hotel tax was deposited as general revenues. For comparison purposes, in October 2015, RICC received \$412,371 from the state 5.0 percent hotel tax, an increase of \$22,874 or 5.9 percent over the \$389,497 received in October 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 October 2015, the PWCVB received \$247,204, an increase of \$22,355 or 9.9 percent over the \$224,849 received in October 2014.

Analysis of Fiscal Year-to-Date through October:

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

Allocation	FY 2016	FY 2015	Percent Change	Nominal Difference
Regional Tourism Districts	\$ 4,069,048	\$ 3,619,446	12.4 %	\$ 449,602
Municipalities	2,306,926	2,053,553	12.3 %	253,373
State of Rhode Island	0	1,828,851	-100.0 %	(1,828,851)
Rhode Island Commerce Corporation	2,064,340	0	n/a	2,064,340
Prov. Warwick Convention & Visitors Bureau	1,115,411	981,645	13.6 %	133,765
Rhode Island Convention Center Authority	140,581	115,407	21.8 %	25,174
TOTAL STATE 5.0% HOTEL TAX	\$ 9,696,305	\$ 8,598,901	12.8 %	\$ 1,097,403

The total revenues generated from the state 5.0 percent hotel tax in FY 2016 through October were \$9.70 million, an increase of \$1.1 million or 12.8 percent over the \$8.60 million received in FY 2015 through October. The largest share of these revenues is distributed to the State's eight regional tourism districts. In FY 2016 through October, the regional tourism districts received \$4.07 million of the total revenues generated from the state 5.0 percent hotel tax, an increase of \$449,602 or 12.4 percent over the \$3.62 million received in the same period last fiscal year.

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 FY 2016 through October, the State's cities and towns received \$2.31 million, an increase of \$253,373 or 12.3 percent over the \$2.05 million received in FY 2015 year-to-date.

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 FY 2016 through October, the RICCA received \$140,581, an increase of \$25,174 or 21.8 percent over the \$115,407 received in FY 2015 year-to-date.

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, RICC's share of the state hotel tax was deposited as general revenues. For comparison purposes, in FY 2016 through October, RICC received \$2.06 million from the state 5.0 percent hotel tax, an increase of \$235,489 or 12.9 percent over the \$1.83 million received in FY 2015 through October 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 FY 2016

through October, the PWCVB received \$1.12 million, an increase of \$133,765 or 13.6 percent over the \$981,645 received in FY 2015 year-to-date.

DETAIL OF THE STATE 5.0 PERCENT HOTEL TAX ALLOCATION

Analysis of Year-over-Year Allocation for October:

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 October 2015, the Aquidneck Island Tourism District was the largest recipient of the tourism districts' share of the state 5.0 percent hotel tax at \$378,314, a decrease of \$20,476 or a 5.1-percent decrease from the \$398,791 received in October 2014. The Convention Authority of the City of Providence was the second largest recipient of the tourism districts' share of the state 5.0 percent hotel tax in October 2015 at \$164,062, an increase of \$19,902 or 13.8 percent over the \$144,160 received in October 2014. The Warwick Department of Economic Development received the third largest portion of the tourism districts' share of the state 5.0 percent hotel tax at \$82,373, an increase of \$12,168 or 17.3 percent over the \$70,205 received in October 2014.

The three regional tourism districts with the largest percentage increase in revenues generated from the state 5.0 percent hotel tax between October 2015 and October 2014 were: Block Island, 212.3 percent; Warwick Department of Economic Development, 17.3 percent; and the Convention Authority of the City of Providence, 13.8 percent. There was one regional tourism district with a

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

percentage decrease in revenues generated from the state 5.0 percent hotel tax between October 2015 and October 2014: Aquidneck Island, -5.1 percent..

The three regional tourism districts with the largest nominal increase in revenues generated from the state 5.0 percent hotel tax between October 2015 and October 2014 were: the Convention Authority of the City of Providence, \$19,902; the Warwick Department of Economic Development, \$12,168; and Block Island, \$8,796. There was one regional tourism district with a nominal decrease in revenues generated from the state 5.0 percent hotel tax between October 2015 and October 2014: Aquidneck Island, \$(20,476).

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 October 2015, Newport received the largest portion of the municipalities' share of the revenues generated from the state 5.0 percent hotel tax at \$156,091, a decrease of \$12,762 or -7.6 percent over the \$168,853 received in October 2014. Providence received the second largest portion of the municipalities' share of the state 5.0 percent hotel tax in October 2015 at \$98,760, an increase of \$12,547 or 14.6 percent over the \$86,213 received in October 2014. Warwick received the third largest portion of the municipalities' share of the state 5.0 percent hotel tax in October 2015 at \$66,430, an increase of \$9,813 or 17.3 percent over the \$56,617 received in October 2014.

The five municipalities with the largest percentage increase in revenues generated from the state 5.0 percent hotel tax between October 2015 and October 2014 were: New Shoreham, 212.3 percent; West Greenwich, 203.8 percent; North Smithfield, 126.7 percent; East Greenwich, 115.4 percent; and Narragansett, 92.0 percent. The five municipalities with the largest percentage decrease in revenues generated from the state 5.0 percent hotel tax between October 2015 and October 2014 were: North Kingstown, -82.2 percent; Charlestown, -52.5 percent; Richmond, -42.6 percent; Gloucester, -16.2 percent; and Newport, -7.6 percent.

The five municipalities with the largest nominal increase in revenues generated from the state 5.0 percent hotel tax between October 2015 and October 2014 were: Providence, \$12,547; Warwick, \$9,813; New Shoreham, \$4,679; West Greenwich, \$3,617; and Narragansett, \$2,389. The five municipalities with the largest nominal decrease in revenues generated from the state 5.0 percent hotel tax between October 2015 and October 2014 were: Newport, \$(12,762); North Kingstown, \$(3,470); Westerly, \$(1,249); Charlestown, \$(259); and Richmond, \$(149).

Analysis of Fiscal Year-to-Date through October:

The table *Detail of Rhode Island State 5.0% Hotel Tax Allocation: Fiscal Year-to-Date Collections* provides a breakdown of the distribution of the revenues generated from the state 5.0 percent hotel tax on a fiscal year-to-date basis. In FY 2016 through October, the Aquidneck Island Tourism District received the largest portion of the tourism districts' share of the state 5.0 percent hotel tax at \$1.90 million, an increase of \$159,899 or 9.2 percent over the \$1.74 million received in FY 2015 through October. The South County Tourism District was the second largest recipient of the tourism districts' share of the state 5.0 percent hotel tax in FY 2016 year-to-date at \$710,405, an increase of \$91,144 or 14.7 percent over the \$619,261 received in FY 2015 year-to-date. The

Convention Authority of the City of Providence was the third largest recipient of the tourism districts' share of the state 5.0 percent hotel tax in FY 2016 year-to-date at \$605,440, an increase of \$83,518 or 16.0 percent over the \$521,923 received in FY 2015 year-to-date.

The three regional tourism districts with the largest percentage increase in revenues generated from the state 5.0 percent hotel tax between FY 2016 through October and FY 2015 through October were: the Statewide District, 26.7 percent; the Convention Authority of the City of Providence, 16.0 percent; and Northern Rhode Island, 15.7 percent. There were no regional tourism districts with a percentage decrease in revenues generated from the state 5.0 percent hotel tax between FY 2016 through October and FY 2015 through October.

The three regional tourism districts with the largest nominal increase in revenues generated from the state 5.0 percent hotel tax between FY 2016 through October and FY 2015 through October were: Aquidneck Island, \$159,899; South County, \$91,144; and the Convention Authority of the City of Providence, \$83,518. There were no regional tourism districts with a nominal decrease in revenues generated from the state 5.0 percent hotel tax between FY 2016 through October and FY 2015 through October.

The table *Rhode Island State 5.0% Hotel Tax Allocation to Municipalities: Fiscal Year-to-Date 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 FY 2016 through October, Newport received the largest portion of the municipalities' share of the revenues generated from the state 5.0 percent hotel tax at \$728,109, an increase of \$63,764 or 9.6 percent over the \$664,346 received in FY 2015 through October. Providence received the second largest portion of the municipalities' share of the state 5.0 percent hotel tax in FY 2016 year-to-date at \$371,108, with an increase of \$46,375 or 14.3 percent over the \$324,733 received in FY 2015 year-to-date. Warwick received the third largest portion of the municipalities' share of the state 5.0 percent hotel tax in FY 2016 year-to-date at \$274,578, an increase of \$36,049 or 15.1 percent over the \$238,529 received in FY 2015 year-to-date.

The five municipalities with the largest percentage increase in revenues generated from the state 5.0 percent hotel tax between FY 2016 through October and FY 2015 through October were: East Greenwich, 85.2 percent; Cranston, 78.3 percent; North Smithfield, 34.7 percent; Portsmouth, 32.0 percent; and Scituate, 26.5 percent. The four municipalities with a percentage decrease in revenues generated from the state 5.0 percent hotel tax between FY 2016 through October and FY 2015 through October were: Foster, -100.0 percent; Little Compton, -28.6 percent; North Kingstown, -10.5 percent; and Jamestown, -7.7 percent.

The five municipalities with the largest nominal increase in revenues generated from the state 5.0 percent hotel tax between FY 2016 through October and FY 2015 through October were: Newport, \$63,764; Providence, \$46,375; Warwick, \$36,049; Westerly, \$26,622; and Middletown, \$19,711. The four municipalities with a nominal decrease in revenues generated from the state 5.0 percent hotel tax between FY 2016 through October and FY 2015 through October were: North Kingstown, \$(2,177); Jamestown, \$(294); Foster, \$(66); and Little Compton, \$(40).

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