

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR LINCOLN D. CHAFEE



DEPARTMENT OF REVENUE
Office of Revenue Analysis

State of Rhode Island Monthly Hotel Tax Report
FY 2012 5.0 Percent State Hotel Tax Allocation for June 2012

Beginning in June 2012, the Rhode Island Department of Revenue will issue a report on the allocation of the 5.0 percent state 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 5.0 percent state hotel tax. The report provides information on the fiscal year-to-date allocation of the proceeds from the 5.0 percent state hotel tax.

SUMMARY OF THE 5.0 PERCENT STATE HOTEL TAX ALLOCATION

Analysis of Fiscal Year-To-Date through June:

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

Allocation	FY 2012	FY 2011	Percent Change	Nominal Difference
Regional Tourism Districts	\$ 5,695,354	\$ 5,266,755	8.1 %	\$ 428,599
Municipalities	3,268,520	3,016,120	8.4 %	252,400
State of Rhode Island	3,011,071	2,789,436	7.9 %	221,634
Prov. Warwick Convention & Visitors Bureau	1,787,504	1,655,601	8.0 %	131,903
Rhode Island Convention Center Authority	295,016	284,328	3.8 %	10,687
TOTAL 5.0 PERCENT HOTEL TAX	\$14,057,465	\$13,012,240	8.0 %	\$1,045,223

The total revenues generated from the 5.0 percent state hotel tax in FY 2012 totaled \$14.06 million, or 8.0 percent more than the \$13.01 million generated in FY 2011. The largest share of these revenues was distributed to the State's eight regional tourism districts. In FY 2012, the State's regional tourism districts received \$5.70 million of the revenues generated from the 5.0

percent state hotel tax, an increase of \$428,599, or 8.1 percent, over the \$5.27 million that was received by the State's eight regional tourism districts in FY 2011.

Twenty-five percent of the revenues generated from the 5.0 percent state hotel tax are distributed to the municipalities where the individual hotels are located. The City of Providence receives this same allocation from all of the hotels located in the city, except from the formerly state-owned Westin Hotel. In FY 2012, the State's cities and towns received \$3.27 million of the total revenues generated from the 5.0 percent state hotel tax, an increase of \$252,400, or 8.4 percent, from the \$3.02 million received in FY 2011.

The Rhode Island Convention Center Authority (RICCA) receives 30.0 percent of the revenues generated from the levying of the 5.0 percent state hotel tax at the Westin Hotel. In FY 2012, the RICCA received \$295,015, an increase of \$10,687, or 3.8 percent, over the \$284,328 received in FY 2011.

The State's share of the revenues generated from the 5.0 percent state hotel tax is 21.0 percent, except from the Westin Hotel where it is 27.0 percent. The State received \$3.01 million from the imposition of the 5.0 percent state hotel tax in FY 2012, an increase of \$221,634, or 7.9 percent, over the \$2.79 million received in FY 2011. The State's share of the revenues generated from the 5.0 percent state hotel tax is deposited as general revenues in the miscellaneous departmental revenues category of departmental receipts.

The Providence Warwick Convention & Visitors Bureau (PWCVB) receives 23.0 percent of the revenues generated from the assessment of the 5.0 percent state hotel tax at hotels located in Providence and Warwick, 12.0 percent of the revenues generated from the application of the 5.0 percent state hotel tax at the Westin Hotel, and 7.0 percent of the revenues produced from the levying of the 5.0 percent state hotel tax on all other hotels located in the State. In FY 2012, the PWCVB received \$1.79 million, an increase of \$131,903, or 8.0 percent, from the \$1.66 million received in FY 2011.

DETAILS OF THE 5.0 PERCENT HOTEL TAX ALLOCATION

Analysis of Fiscal Year-To-Date through June:

The table, *Detail of Rhode Island 5.0% State Hotel Tax Allocation*, provides a breakdown of the distribution of the revenues generated from the 5.0 percent state hotel tax on a fiscal year-to-date basis. The State has eight regional tourism districts. They are: (1) the Aquidneck Island Tourism District¹; (2) Block Island; (3) the Convention Authority of the City of Providence; (4) East Providence²; (5) the Northern Rhode Island Tourism District³; (6) the South County

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 5.0 percent state hotel tax at hotels located in East Providence will be allocated to the selected tourism district.

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, in the case of the Statewide Tourism District, the Rhode Island Economic Development Corporation.

In general, the regional tourism districts receive 47.0 percent of the revenues generated from the assessment of the 5.0 percent state 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 hotel tax revenues generated from all of the hotels in Providence including the Westin Hotel, and the Warwick Department of Economic Development, which receives 31.0 percent of the state hotel tax revenues generated from all of the hotels in the City of Warwick.

In FY 2012, the Aquidneck Island Tourism District received the largest portion of the eight tourism districts' share in FY 2012 at \$2.43 million, an increase of \$181,703, or 8.1 percent, over the \$2.25 million received in FY 2011. The Convention Authority of the City of Providence was the second largest recipient in FY 2012 at \$1.17 million, an increase of \$71,151, or 6.5 percent, over the \$1.10 million received in FY 2011. The South County Tourism District was the third largest recipient in FY 2012 at \$792,325, an increase of \$99,927, or 14.4 percent, over the \$692,398 received in FY 2011.

The three regional tourism districts with the largest percentage increase in the revenues generated from the 5.0 percent state hotel tax between FY 2012 and FY 2011 were: South County, 14.4 percent; East Providence, 12.3 percent; and Northern Rhode Island, 9.3 percent. The only regional tourism district with a percentage decrease in revenue generated from the 5.0 percent state hotel tax between FY 2012 and FY 2011 was the Statewide district at -5.8 percent.

The three regional tourism districts with the largest nominal increase in revenues generated from the 5.0 percent state hotel tax between FY 2012 and FY 2011 were: Aquidneck Island, \$181,703; South County, \$99,920; and the Convention Authority of Providence, \$71,151. The only regional tourism district with a nominal decrease in revenue generated from the 5.0 percent state hotel tax between FY 2012 and FY 2011 was the Statewide district with \$6,797.

The table, *Rhode Island 5.0% State Hotel Tax Allocation to Municipalities*, shows the portion of the revenues generated from the 5.0 percent state hotel tax distributed to the cities and towns in Rhode Island. In FY 2012, Newport received the largest portion of the municipalities' share of the 5.0 percent state hotel tax at \$930,972, an increase of \$59,991, or 6.9 percent, from the \$870,981 received in FY 2011. Providence received the second largest portion of the municipalities' share of the 5.0 percent state hotel tax in FY 2012 at \$695,602, an increase of \$48,474, or 7.5 percent, over the \$647,128 received in FY 2011. Warwick received the third

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

largest portion of the municipalities' share of the 5.0 percent state hotel tax in FY 2012 at \$483,010, an increase of \$40,520, or 9.2 percent, over the \$442,791 received in FY 2011.

The five municipalities with the largest percentage increase in the revenues generated from the 5.0 percent state hotel tax between FY 2012 and FY 2011 were: North Kingstown, 188.2 percent; Woonsocket, 32.8 percent; Westerly, 22.6 percent; Portsmouth, 22.2 percent; and Cranston, 20.2 percent. The five municipalities with the largest percentage decrease in the revenues generated from the 5.0 percent state hotel tax between FY 2012 and FY 2011 were: Little Compton, -32.4 percent; Foster, -23.5 percent; East Greenwich, -16.2 percent; Bristol, -11.3 percent; and Coventry, -8.7 percent.

The five municipalities with the largest nominal increase in revenues generated from the 5.0 percent state hotel tax between FY 2012 and FY 2011 were: Newport, \$59,991; Providence, \$48,474; Warwick, \$40,520; Middletown, \$39,447; and Westerly, \$32,958. The five municipalities with the largest nominal decrease in revenues generated from the 5.0 percent state hotel tax between FY 2012 and FY 2011 were: West Warwick, -\$4,469; Narragansett, -\$3,652; Coventry, -\$3,630; Little Compton, -\$2,268; and Bristol, -\$2,086.



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DETAIL OF RHODE ISLAND 5.0% STATE HOTEL TAX ALLOCATION
Fiscal Year-to-Date Analysis

Allocation	Share	Fiscal Year-to-Date			
		FY 2012	FY 2011	Percent Change	Difference
<u>PROVIDENCE HOTELS*</u>					
Convention Authority of Providence	31%	862,547	802,439	7.5%	60,108
City of Providence	25%	695,602	647,128	7.5%	48,474
Prov. Warwick Convention & Visitors Bureau	23%	584,306	543,588	7.5%	40,718
State of Rhode Island	21%	639,954	595,358	7.5%	44,596
Subtotal - Providence Hotels	100%	2,782,409	2,588,512	7.5%	193,897
<u>WESTIN HOTEL*</u>					
Convention Authority of Providence	31%	304,849	293,806	3.8%	11,043
RI Convention Center Authority	30%	295,016	284,328	3.8%	10,687
State of Rhode Island - Westin Hotel	27%	265,514	255,896	3.8%	9,618
Prov. Warwick Convention & Visitors Bureau	12%	118,006	113,731	3.8%	4,275
Subtotal - Westin Hotel	100%	983,385	947,762	3.8%	35,624
<u>WARWICK HOTELS</u>					
Warwick Dept. of Economic Dev.	31%	598,933	548,688	9.2%	50,245
City of Warwick	25%	483,010	442,491	9.2%	40,520
Prov. Warwick Convention & Visitors Bureau	23%	405,729	371,692	9.2%	34,037
State of Rhode Island	21%	444,370	407,091	9.2%	37,278
Subtotal - Warwick Hotels	100%	1,932,042	1,769,963	9.2%	162,079
<u>ALL OTHER HOTELS</u>					
<u>Regional Tourism Districts</u>					
<i>South County</i>	47%	792,325	692,398	14.4%	99,927
<i>Northern RI</i>	47%	326,352	298,634	9.3%	27,718
<i>Aquidneck Island</i>	47%	2,429,082	2,247,380	8.1%	181,703
<i>Block Island</i>	47%	234,637	233,940	0.3%	697
<i>East Providence</i>	47%	36,139	32,184	12.3%	3,955
<i>Statewide</i>	47%	110,490	117,286	-5.8%	(6,797)
<i>Subtotal - Tourism Districts</i>	<i>47%</i>	<i>3,929,025</i>	<i>3,621,822</i>	<i>8.5%</i>	<i>307,203</i>
Municipalities	25%	2,089,907	1,926,501	8.5%	163,406
State of Rhode Island	21%	1,755,522	1,618,261	8.5%	137,261
Prov. Warwick Convention & Visitors Bureau	7%	585,174	539,420	8.5%	45,754
Subtotal - All Other Hotels	100%	8,359,628	7,706,005	8.5%	653,623
TOTAL 5.0 PERCENT STATE HOTEL TAX		14,057,464	13,012,241	8.0%	1,045,223

* The City of Providence does not share in any of the 5.0 percent state hotel tax revenues generated by the Westin Hotel.

RHODE ISLAND 5.0% STATE HOTEL TAX ALLOCATION TO MUNICIPALITIES
Fiscal Year-to-Date Analysis

MUNICIPALITY	Fiscal Year-to-Date			
	FY 2012	FY 2011	Percent Change	Difference
BARRINGTON	\$ -	\$ -	n/a	\$ -
BRISTOL	16,341	18,427	-11.3%	(2,086)
BURRILLVILLE	-	-	n/a	-
CENTRAL FALLS	-	-	n/a	-
CHARLESTOWN	10,957	11,846	-7.5%	(889)
COVENTRY	38,114	41,745	-8.7%	(3,630)
CRANSTON	4,959	4,127	20.2%	832
CUMBERLAND	-	-	n/a	-
EAST GREENWICH	198	236	-16.2%	(38)
EAST PROVIDENCE	19,223	17,119	12.3%	2,104
EXETER	-	-	n/a	-
FOSTER	71	93	-23.5%	(22)
GLOCESTER	976	1,031	-5.3%	(55)
HOPKINTON	-	-	n/a	-
JAMESTOWN	5,511	4,772	15.5%	739
JOHNSTON	3,531	3,607	-2.1%	(76)
LINCOLN	48,478	45,652	6.2%	2,826
LITTLE COMPTON	4,721	6,986	-32.4%	(2,265)
MIDDLETOWN	329,986	290,539	13.6%	39,447
NARRAGANSETT	43,190	46,842	-7.8%	(3,652)
NEWPORT	930,972	870,981	6.9%	59,991
NEW SHOREHAM	124,807	124,436	0.3%	371
NORTH KINGSTOWN	35,089	12,174	188.2%	22,915
NORTH PROVIDENCE	-	-	n/a	-
NORTH SMITHFIELD	1,385	1,195	15.9%	190
PAWTUCKET	23,307	23,935	-2.6%	(628)
PORTSMOUTH	4,533	3,709	22.2%	824
PROVIDENCE	695,602	647,128	7.5%	48,474
RICHMOND	1,874	1,896	-1.2%	(22)
SCITUATE	2,147	2,028	5.9%	119
SMITHFIELD	70,332	65,118	8.0%	5,213
SOUTH KINGSTOWN	67,425	63,120	6.8%	4,305
TIVERTON	-	-	n/a	-
WARREN	-	-	n/a	-
WARWICK	483,010	442,491	9.2%	40,520
WESTERLY	179,001	146,043	22.6%	32,958
WEST GREENWICH	45,601	44,394	2.7%	1,207
WEST WARWICK	48,064	52,532	-8.5%	(4,469)
WOONSOCKET	29,114	21,917	32.8%	7,198
TOTAL	\$ 3,268,520	\$ 3,016,120	8.4%	\$ 252,400