

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



DEPARTMENT OF REVENUE
Office of Revenue Analysis

State of Rhode Island Monthly Hotel Report
FY 2013 5.0 Percent State Hotel Tax Allocation July 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 year-over-year and 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 Year-over-Year Allocation for July:

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

Allocation	July 2012	July 2011	Percent Change	Nominal Difference
Regional Tourism Districts	\$ 836,409	\$ 735,141	13.8 %	\$ 101,268
Municipalities	472,482	414,935	13.9 %	57,547
State of Rhode Island	419,664	370,155	13.4 %	49,509
Prov. Warwick Convention & Visitors Bureau	220,429	195,534	12.7 %	24,895
Rhode Island Convention Center Authority	25,310	24,011	5.4 %	1,299
TOTAL 5.0% STATE HOTEL TAX	\$ 1,974,294	\$ 1,739,776	13.5 %	\$ 234,518

The total revenues generated from the 5.0 percent state hotel tax in July 2012 were \$1.98 million, or 13.5 percent more than the \$1.74 million received in July 2011. The largest share of these revenues was distributed to the State's eight regional tourism districts. In July 2012, the regional tourism districts received \$836,409 of the revenues generated from the 5.0 percent state hotel tax, an increase of \$101,268, or 13.8 percent, over the \$735,141 in July 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 the

same allocation from all of the hotels located in the city, except from the formerly state-owned Westin Hotel. In July 2012, the State's cities and towns received \$472,482, an increase of \$57,547, or 13.9 percent, over the \$414,935 in July 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 July 2012, the RICCA received \$25,310, an increase of \$1,299, or 5.4 percent, over the \$24,011 in July 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. In July 2012, the State received \$419,664 from the 5.0 percent state hotel tax, an increase of \$49,509, or 13.4 percent, over the \$370,155 in July 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 at all other hotels located in the State. In July 2012, the PWCVB received \$220,429, an increase of \$24,895, or 12.7 percent, over the \$195,534 in July 2011.

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 5.0 PERCENT STATE HOTEL TAX ALLOCATION

Analysis of Year-over-Year Allocation for July:

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: (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 Tourism District⁴; (7) the

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.

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

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

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 July 2012, the Aquidneck Island Tourism District received the largest portion of the tourism districts' share at \$346,310, an increase of \$45,421, or 15.1 percent, over the \$300,889 received in July 2011. The South County Tourism District was the second largest recipient in July 2012 at \$186,239, an increase of \$25,496, or 15.9 percent, over the \$160,743 received in July 2011. The Convention Authority of the City of Providence was the third largest recipient in July 2012 at \$110,526, an increase of \$10,499, or 10.5 percent, over the \$100,027 received in July 2011.

The three regional tourism districts with the largest percentage increase in the revenues generated from the 5.0 percent state hotel tax on a year-over-year basis for July were: Northern Rhode Island, 27.7 percent; South County, 15.9 percent; and Aquidneck Island, 15.1 percent. The two regional tourism districts with a percentage decrease in the revenues generated from the 5.0 percent state hotel tax on a year-over-year basis for July were the statewide district, -5.2 percent and East Providence, -0.2 percent.

The three regional tourism districts with the largest nominal increase in the revenues generated from the 5.0 percent state hotel tax on a year-over-year basis for July were: Aquidneck Island, \$45,421; South County, \$25,496; and Providence, \$10,499. The two regional tourism districts with a nominal decrease in the revenues generated from the 5.0 percent state hotel tax on a year-over-year basis for July were the statewide district, -\$736 and East Providence, -\$6.

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 July 2012, Newport received the largest portion of the municipalities' share of the revenue generated from the 5.0 percent state hotel tax at \$118,799, an increase of \$22,395, or 23.2 percent, over the \$96,404 received in July 2011. Providence received the second largest portion of the municipalities' share of the 5.0 percent state hotel tax in July 2012 at \$68,042, an increase of \$7,384, or 12.2 percent, over the \$60,658 received in July 2011. Westerly received the third largest portion of the municipalities' share of the 5.0 percent state hotel tax in FY 2012 at \$58,038, an increase of \$8,367, or 16.8 percent, over the \$49,671 received in July 2011.

The five municipalities with the largest percentage increase in the revenues generated from the 5.0 percent state hotel tax on a year-over-year basis for July were: Bristol, 313.7 percent; West Greenwich, 146.6 percent; Johnston, 55.3 percent; Woonsocket, 51.5 percent; and Pawtucket,


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

34.8 percent. The five municipalities with the largest percentage decrease in the revenues generated from the 5.0 percent state hotel tax on a year-over-year basis for July were: Scituate, -15.8 percent; Charlestown, -13.0 percent; Richmond, -12.5 percent; Jamestown, -10.9 percent; and Cranston, -10.7 percent.

The five municipalities with the largest nominal increase in revenues generated from the 5.0 percent state hotel tax on a year-over-year basis for July were: Newport, \$22,395; Westerly, \$8,367; Providence, \$7,384; Warwick, \$5,526; and West Greenwich, \$3,425. The five municipalities with the largest nominal decrease in revenues generated from the 5.0 percent state hotel tax on a year-over-year basis for July were: Middletown, -\$1,324; West Warwick, -\$518; Coventry, -\$399; Charlestown, -\$378; and Jamestown, -\$117.

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.


Rosemary Booth Gallogly
Director, Department of Revenue

October 5, 2012

DETAIL OF RHODE ISLAND STATE 5.0% HOTEL TAX ALLOCATION
Year-over-Year Analysis

Allocation	Share	Year-over-Year			
		July 2012	July 2011	Percent Change	Difference
<u>PROVIDENCE HOTELS*</u>					
Convention Authority of Providence	31%	84,372	75,216	12.2%	9,156
City of Providence	25%	68,042	60,658	12.2%	7,384
Prov. Warwick Convention & Visitors Bureau	23%	62,598	55,805	12.2%	6,793
State of Rhode Island	21%	57,155	50,952	12.2%	6,203
Subtotal - Providence Hotels	100%	272,167	242,631	12.2%	29,536
<u>WESTIN HOTEL*</u>					
Convention Authority of Providence	31%	26,154	24,812	5.4%	1,342
RI Convention Center Authority	30%	25,310	24,011	5.4%	1,299
State of Rhode Island - Westin Hotel	27%	22,779	21,610	5.4%	1,169
Prov. Warwick Convention & Visitors Bureau	12%	10,124	9,605	5.4%	520
Subtotal - Westin Hotel	100%	84,368	80,038	5.4%	4,330
<u>WARWICK HOTELS</u>					
Warwick Dept. of Economic Dev.	31%	66,772	59,920	11.4%	6,852
City of Warwick	25%	53,849	48,323	11.4%	5,526
Prov. Warwick Convention & Visitors Bureau	23%	49,541	44,457	11.4%	5,084
State of Rhode Island	21%	45,233	40,591	11.4%	4,642
Subtotal - Warwick Hotels	100%	215,394	193,290	11.4%	22,104
<u>ALL OTHER HOTELS</u>					
Regional Tourism Districts					
<i>South County</i>	47%	186,239	160,743	15.9%	25,496
<i>Northern RI</i>	47%	34,316	26,865	27.7%	7,451
<i>Aquidneck Island</i>	47%	346,310	300,889	15.1%	45,421
<i>Block Island</i>	47%	74,836	68,544	9.2%	6,292
<i>East Providence</i>	47%	3,990	3,996	-0.2%	(6)
<i>Statewide</i>	47%	13,421	14,158	-5.2%	(736)
<i>Subtotal - Tourism Districts</i>	<i>47%</i>	<i>659,112</i>	<i>575,194</i>	<i>14.6%</i>	<i>83,918</i>
Municipalities	25%	350,591	305,954	14.6%	44,637
State of Rhode Island	21%	294,497	257,002	14.6%	37,495
Prov. Warwick Convention & Visitors Bureau	7%	98,166	85,667	14.6%	12,498
Subtotal - All Other Hotels	100%	1,402,365	1,223,817	14.6%	178,548
TOTAL 5.0 PERCENT HOTEL TAX		1,974,294	1,739,776	13.5%	234,518
* The City of Providence does not receive any share of the state 5.0 percent hotel tax revenues generated from the Westin Hotel.					

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

Allocation	Share	Fiscal Year-to-Date			
		July 2012	July 2011	Percent Change	Difference
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RHODE ISLAND 5.0% STATE HOTEL TAX ALLOCATION TO MUNICIPALITIES
Year-over-Year Analysis

MUNICIPALITY				
	July 2012	July 2011	Percent Change	Difference
BARRINGTON	\$ -	\$ -	n/a	\$ -
BRISTOL	4,266	1,031	313.7%	3,235
BURRILLVILLE	-	-	n/a	-
CENTRAL FALLS	-	-	n/a	-
CHARLESTOWN	2,532	2,910	-13.0%	(378)
COVENTRY	3,753	4,153	-9.6%	(399)
CRANSTON	560	628	-10.7%	(67)
CUMBERLAND	-	-	n/a	-
EAST GREENWICH	52	-	n/a	52
EAST PROVIDENCE	2,122	2,126	-0.2%	(4)
EXETER	-	-	n/a	-
FOSTER	-	-	n/a	-
GLOCESTER	127	118	8.4%	10
HOPKINTON	-	-	n/a	-
JAMESTOWN	956	1,073	-10.9%	(117)
JOHNSTON	648	418	55.3%	231
LINCOLN	4,668	3,899	19.7%	770
LITTLE COMPTON	1,474	1,488	-0.9%	(14)
MIDDLETOWN	57,470	58,794	-2.3%	(1,324)
NARRAGANSETT	11,207	10,613	5.6%	595
NEWPORT	118,799	96,404	23.2%	22,395
NEW SHOREHAM	39,806	36,459	9.2%	3,347
NORTH KINGSTOWN	5,552	4,848	14.5%	705
NORTH PROVIDENCE	-	-	n/a	-
NORTH SMITHFIELD	117	-	n/a	117
PAWTUCKET	3,087	2,290	34.8%	797
PORTSMOUTH	1,244	1,258	-1.1%	(14)
PROVIDENCE	68,042	60,658	12.2%	7,384
RICHMOND	280	320	-12.5%	(40)
SCITUATE	197	234	-15.8%	(37)
SMITHFIELD	7,022	5,849	20.1%	1,173
SOUTH KINGSTOWN	11,886	10,653	11.6%	1,234
TIVERTON	-	-	n/a	-
WARREN	-	-	n/a	-
WARWICK	53,849	48,323	11.4%	5,526
WESTERLY	58,038	49,671	16.8%	8,367
WEST GREENWICH	5,761	2,336	146.6%	3,425
WEST WARWICK	5,733	6,251	-8.3%	(518)
WOONSOCKET	3,232	2,134	51.5%	1,098
TOTAL	\$ 472,482	\$ 414,933	13.9%	\$ 57,549