



STATE OF RHODE ISLAND

Division of Taxation

Department of Revenue

December 2025

Frequently Asked Questions

Tax on Residential Dwellings Rented in their Entirety

This Fiscal Year 2026 budget, as enacted in [House Resolution 5076, Substitute A, as amended, Article 5, § 6](#), imposes the Whole Home Short-term Rental Tax. Effective January 1, 2026, this 5% tax will be imposed on short-term rentals of residential dwellings rented in their entirety. Please note: this document is for general information purposes only. It is not a substitute for the Rhode Island General Laws, or for Rhode Island Division of Taxation Regulations, Rulings, or Notices.

1. Q: What is the “whole home” short-term rental tax, and what types of properties does it apply to?

A: The Whole Home Short-term Rental Tax is a tax on the short-term rental of entire residential dwellings. Rentals subject to the tax are rentals of entire residential dwellings such as houses, condos, mobile homes, and other residential dwellings.

2. Q: What is a short-term rental?

A: A short-term rental is a rental of a period of 30 consecutive days or fewer.

3. Q: What is the rate of the tax?

A: The Whole Home Short-term Rental Tax rate is 5%.

4. Q: When will this tax go into effect?

A: The effective date of the Whole Home Short-term Rental Tax is January 1, 2026.

5. Q: Do I need to do anything before I begin renting my residential dwelling?

A: Prior to offering your residential dwelling for rental, you would need to complete the Business Application and Registration (BAR) form ([BAR 2025.pdf](#)) and submit it to the Division of Taxation. This can be completed [online](#) or by paper form on our website. If you are renting exclusively through a hosting platform, please see question 9.

6. Q: Is there any other registration that is required?

A: Rhode Island law requires the Department of Business Regulation to maintain a registry for short-term rentals offered through a hosting platform. Please consult their website for additional information: [Short-Term Rentals | Dept. of Business Regulation](#). Additional registration requirements may exist with other agencies and/or cities or towns.

7. Q: If a rental is booked for the summer of 2026, but the customer booked it in 2025, is it subject to the new tax rates for 2026?

A: Yes. The tax rate in effect at the time of occupancy applies to all short-term rentals.

All stays in 2026 are subject to the 2026 rate. When full payment is made in 2025 for a 2026 rental, the tax collected should be at the 2025 rate, and the difference in the tax rate for 2026 should be charged at the time of checkout from the rental.

Please note, that short-term rentals are also subject to sales tax and the local hotel tax.

8. Q: What portion of the rental charge should I use to calculate the tax due for the Whole Home Short-term Rental Tax and other applicable taxes?

A: Like sales tax, the total consideration paid¹ for the short-term occupancy of the rental is subject to taxation. This includes any commissions or fees, such as cleaning fees and booking fees.

Please note, when a refundable fee, like a refundable damage deposit, is required and separately stated on the invoice, taxes do not apply to the refunded portion of the deposit. However, if any portion of the deposit is **not refunded**, all **taxes that apply** to the remainder of the transaction also apply to the **portion of the deposit that is not refunded**.

9. Q: I rent out my entire house as a short-term rental exclusively through a hosting platform or a realtor. Am I required to register with the Rhode Island Division of Taxation to collect and remit the applicable taxes?

A: Rhode Island requires hosting platforms and realtors to register with the Division of Taxation and to charge, collect, and remit the applicable taxes. In this case, you do not have any registration requirements with the Division of Taxation. You are responsible for appropriately reporting your income on your income tax returns.

10. Q: I offer my entire house as a short-term rental. What are my Rhode Island filing obligations?

¹ Consideration paid is defined as the monetary charge for the use of space devoted to transient lodging accommodations.

A: If you are not exclusively renting through a hosting platform or realtor, then the following table provides the required filing obligations. If you are using a hosting platform or realtor, exclusively, to rent out your residential dwelling, then that hosting platform or realtor would fulfill all the filing obligations for your rental.

Tax on short-term rentals: Filing requirements		
<i>Any person or business entity offering entire residential dwellings as short-term rentals must meet the following requirements:</i>		
Requirement:	Form:	Filing frequency:
Register for sales permit	Business Application and Registration (BAR) Form	Once, prior to offering rentals
Renew a sales permit	Retail Sales Permit Renewal Application	Annually by February 1
File and pay 7% sales tax	Monthly Sales and Use Tax Return on Form RI-STR	Monthly
File and pay 2% local hotel tax & 5% whole home short-term rental tax	Residential Dwelling/Room Rental Tax Return on Form RI-8478*	Monthly

***The Form RI-8478 is a different version for rental periods on or prior to 12/31/25. There will be a new version of the Form RI-8478 posted to include the Whole Home Short-Term Rental Tax.**

11. Q: I offer my entire house as a short-term rental through various media outlets (newspapers, social media, etc.). Am I required to register with the Rhode Island Division of Taxation to collect and remit the applicable taxes?

A: If the rental transactions would take place directly between you and a guest, you are required to register with the Division of Taxation and to charge, collect, and remit the applicable taxes.

12. Q: I offer my entire house for rent to college students for the school year (from September through May). What taxes apply and what do I need to do to be in compliance with tax statutes?

A: If the school-year rental is done through a written arrangement (such as a lease agreement), there is no sales, hotel, or whole home short-term rental tax due for the period outlined in the written arrangement.

13. Q: I offer my entire house for rent to college students for the school year (September through May). I also offer it as a short-term rental in the summer. What taxes apply and what do I need to do for tax compliance?

A: The school-year rental with a written agreement is not subject to sales, hotel, or whole home short-term rental tax. Please see the Answer to Question 12 for treatment of long-term rentals. The summer rental is subject to sales, local hotel, and whole home short-term rental tax. Please see the Answer to Questions 9 and 10 for the short-term rental requirements.

14. Q: I offer my entire house for rent for a period of 35 days. Is this rental subject to tax.

A: For a residential dwelling rented under a **documented arrangement** of a period more than 30 consecutive days or one calendar month, the entire rental would not be subject to tax.

15. Q: What is a “Trust Fund” tax?

A: Sales taxes, state and local hotel taxes, and the whole home short-term rental tax are examples of “Trust Fund” taxes. That means the tax is being paid by the guest and collected by you on behalf of the State of Rhode Island. Since these taxes are held by you in trust for the State, failure to remit these taxes to the State of Rhode Island subjects you to enhanced penalties, including criminal penalties.

16. Q: How often do I need to file and remit sales tax and residential dwelling rental tax returns?

A: Sales tax returns and RI-8478 Residential Dwelling/Room Rental tax returns must be filed monthly on the 20th day of the following month after payment is received. If you only rent seasonally, you can contact the Division’s Excise Tax Section to request seasonal filing status. If eligible, this would enable you to file the RI-8478 and RI-STR sales tax returns for only the months in which the residential dwelling is available for rental.

17. Q: I’ve heard that Rhode Island has an Electronic Filing Mandate; am I subject to Rhode Island’s Electronic Filing Mandate?

A: In accordance with Rhode Island law, businesses classified as larger business registrants are required to use electronic means to file tax returns and remit taxes to the State of Rhode Island. A "larger business registrant" is defined as any person who:

- Operates as a business whose combined annual liability for all taxes administered by the Division of Taxation for the entity is or exceeds \$5,000; or
- Operated as a business whose annual gross income is over \$100,000 for the entity.

If you meet either of these definitions, yes, you are subject to Rhode Island’s Electronic Filing Mandate – this also includes a requirement that payments be made electronically.

For more information on Rhode Island’s Electronic Filing Mandate, visit the Division’s dedicated Electronic Filing Mandate webpage at: <https://tax.ri.gov/resources/businesses/electronic-filing-mandate>. Entities that fall under the Electronic Filing Mandate that do not file and pay electronically are subject to penalties for failing to file a return electronically and/or for failing to pay electronically.

18. How can I use Rhode Island’s Taxpayer Portal to file and pay taxes electronically?

A: If you do not already have a Taxpayer Portal account, visit the Division’s Taxpayer Portal at: <https://taxportal.ri.gov> to create your Portal user account. As a first-time user you must link your Portal account(s) to any information on file with

the Division. This is done by using your FEIN or SSN and a PIN supplied by the Division of Taxation via postal mail. Once this process is completed, you can file and pay your required tax returns through the Portal.

19. Q: I need help with the Taxpayer Portal. What should I do?

A: Instructions, including helpful videos are available at www.taxportal.ri.gov. If you need more help regarding the Taxpayer Portal, please contact the Division's Taxpayer Portal Section by e-mail at: Tax.Portal@tax.ri.gov, or by phone at (401) 574-8484 between 8:30 a.m. and 3:30p.m. on business days.

20.Q: I have questions about the taxation of my short-term rental. Who should I contact?

A: For questions about the taxation of short-term rentals, you can contact the Rhode Island Division of Taxation's Excise Tax Section by email at Tax.Excise@tax.ri.gov, by mail: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908, or by phone at (401) 574-8955 between 8:30 a.m. and 3:30 p.m. on business days.

For applicable forms please visit [Excise Tax Forms section](#) of the Division's website.