

TAX ASSESSOR
CITY OF NEWPORT
43 BROADWAY
NEWPORT RI 02840

Dear Business Owner:

Welcome to the business community of Newport! The purpose of this letter is to explain the benefits and responsibilities of owners of Bed and Breakfasts or Inns.

In the City of Newport, many zones allow a property owner to rent two (2) rooms by right. Three or more rooms require a special use permit which is issued by the Zoning Board.

It is important to note, residential properties in which there are three (3) or more rooms made available for rental will be charged the Commercial rate on their Real Estate Property Tax bill. If you seek a variance to rent more than two rooms, or if you are "grandfathered" and already rent more than two rooms, you become commercial.

Residential properties with two (2) or fewer rooms will continue to see their Real Estate Property Tax bills reflect the residential tax rate.

If the Bed & Breakfast/Inn is owner occupied and is the property owner's primary residence, you may be eligible for a Split Rate on your property. This means, essentially, that you will be charged the RESIDENTIAL tax rate for **your unit**, and the remainder of the building would be taxed at the COMMERCIAL rate. Please inquire at the Assessor's Office for more information.

Pursuant to the General Laws of Rhode Island, section 44-5-3, as amended, any furniture, fixtures that are used in your day to day business operation or the rendering of any service shall be subject to a Tangible Personal Property Tax, regardless of the number of rooms you let. You must register with the Tax Assessor's Office, where you will be set up with an account. All Tangible Personal Property will be taxed at the commercial rate. Upon the sale or transfer of the property, you must close your tangible account with the Tax Assessor's Office, so that you may be removed from the tax roll.

Should you have any further questions, please do not hesitate to contact the Assessor's Office at 401-845-5365. Best wishes for a successful endeavour.

Allan Booth Jr.
Tax Assessor