

City of Rehoboth Beach



City Hall

229 Rehoboth Avenue, P.O. Box 1163

Rehoboth Beach, Delaware 19971

Telephone 302-227-4641

Fax 302-227-4643

www.cityofrehoboth.com

Evan Miller
Assistant City Manager

emiller@cityofrehoboth.com

February 26, 2024

Rehoboth-Dewey Chamber of Commerce
% Carol Everhart
PO Box 216
Rehoboth Beach, DE 19971

Hello—

I'm writing to let you know that the City of Rehoboth Beach has increased its gross receipts rental tax rate from 6% to 7%. The Board of Commissioners voted reluctantly but unanimously February 16 to adopt this increase as part of efforts to close a potential more than \$4 million deficit in the city's 2025 fiscal year budget, which begins April 1.

The new 7% rental receipts tax rate will be effective on all rental contracts entered into on or after April 1, 2024. The city's 2024 gross receipts rental tax form, which will be mailed to you, will allow for reporting receipts at both the 6% and 7% rates.

We know that no one likes cost increases, but I want to assure you that commissioners felt this increase was necessary to help achieve the city's commitment to attracting and retaining highly qualified staff members in order to provide outstanding service to our community and visitors. Commissioners also are committed to ensuring that the burden of additional costs are shared as equitably as possible among all city stakeholders, visitors and property owners alike.

In addition to raising the rental tax rate, commissioners voted last week to increase the hourly meter parking rate from \$3 to \$4/hour in season, May 15-September 15. Parking permit fees also increased about 30% across the board. You can find the new parking permit rates online at cityofrehoboth.com/parking-information/parking-permits. Finally, commissioners are expected to also consider increases to the property tax rate and wastewater rate next month at their March meetings, which are open to the public.

Thank you for your attention to the new rental tax rate and your cooperation. Should you have any questions about the new rate or the process for reporting gross rental receipts to the City of Rehoboth Beach, please contact information@cityofrehoboth.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Evan Miller". The signature is fluid and cursive, with the first name "Evan" and last name "Miller" clearly distinguishable.

Evan Miller
Interim City Manager