



October 5, 2010

South Carolina Taxation Realignment Commission  
Local Accommodations and Hospitality Tax Subcommittee  
1230 Main Street, Suite 700  
Columbia, South Carolina 29201

Re: Joint Tourism Tax Force Proposal

Honorable Commissioners:

On behalf of RCI, LLC ("RCI") I write in opposition to the Joint Tourism Tax Force's proposal to impose a tax on timeshare exchange, and the maintenance fees paid by timeshare property owners, including of course, the many who are South Carolina residents.

For more than 35 years, RCI has been at the forefront of the timeshare industry, transforming the vacation experience for resort developers and owners alike. As the world's largest vacation exchange company, our network includes more than 4,000 affiliated resorts worldwide. In various locations in South Carolina alone, RCI has at least 20 affiliated resorts.

There are almost 12,000 RCI subscribing members who are residents of South Carolina who also own in the state of South Carolina. Imposing a tax on the maintenance fees that these residents pay will be unduly burdensome and unfair as they already pay a property tax to the state on their ownership interests located within South Carolina. Additionally, if a tax is imposed on exchange, that will deter many of our other 3.8 million members from exchanging into your fair state. Instead, they will opt to exchange into a state where exchange is not taxed at all. That will mean less tourism revenue that will flow into your state from the thousands of RCI members who exchange into your state year after year.

In sum, RCI and its almost 12,000 current South Carolina residents, who own timeshare in South Carolina and are members of RCI, strongly oppose the imposition of the overly burdensome and unfair taxes being proposed.

Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Rita Coviello".

Rita Coviello  
Vice President

cc: Jason Gamel, ARDA State Affairs