



March 12, 2024

The Honorable Stephen Casey
Chairman, House Municipal Government and Housing Committee
Rhode Island State House
Providence, RI 02903

RE: H.7652, An Act Relating to Taxation – Levy and Assessment of Local Taxes

Chairman Casey and Committee Members:

The undersigned members of the Rhode Island Business Coalition oppose the passage of H.7652, An Act Relating to Taxation – Levy and Assessment of Local Taxes.

This legislation creates six (6) possible classes of property in the City of Providence, and allows the municipality to tax each class at a different rate. The classes are:

Class 1A: Residential real estate consisting of fewer than six (6) dwelling units; land classified as open space; and dwellings on leased land including mobile homes.

Class 1B: Residential real estate consisting of six (6) to ten (10) dwelling units.

Class 1C: Residential real estate of more than ten (10) dwelling units.

Class 2: Commercial and industrial real estate.

Class 3: Properties containing partial residential and commercial or business uses.

Class 4: All ratable, tangible personal property

Under current law, Providence and Gloucester may adopt a tax rate on three (3) different classes of property, but the tax rate for Commercial/Industrial Property cannot be more than two (2) times the tax rate of Residential Property; and the tax rate applicable to Tangible Property cannot exceed the tax rate of Residential Property by more than two hundred percent (200%). This existing tax policy helps to ensure municipalities maintain a balance between the various tax classifications and do not overburden businesses by shifting the property tax levy too far on to commercial, industrial and tangible property.

H.7652 “takes the guardrails” off the current tax system by allowing Providence and Gloucester to “adopt a tax classification with unrestricted tax rates by ordinance.” (Page 4, Lines 12-13). As residents seek to push the tax burden to businesses, economic development suffers and the entire state suffers.

For these reasons, we oppose the passage of H.7652.

Sincerely,

East Greenwich Chamber of Commerce

Energy Marketers Association Rhode Island

Rhode Island Business Group on Health

Rhode Island Manufacturers Association

Rhode Island Mortgage Bankers Association

Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Society of Certified Public Accountants

Rhode Island Staffing Association

Sustainable Benefits Strategies, LLC