

February 4, 2025

Honorable Stephen M. Casey
Chairman, House Municipal Government and Housing Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

RE: H 5269 - AN ACT RELATING TO TAXATION - LEVY AND ASSESSMENT OF
LOCAL TAXES

Dear Chairman Casey and Honorable Members of the Committee:

As the Executive Director of Rhode Island Business Leaders Alliance (the “Alliance”), I am grateful for the opportunity to provide the House Municipal Government and Housing Committee with this written testimony in support of H 5269 - AN ACT RELATING TO TAXATION - LEVY AND ASSESSMENT OF LOCAL TAXES, which allows municipalities to waive interest on overdue taxes for commercial properties under certain conditions.

The Alliance is a group of Rhode Island business leaders, trade associations, and educational institutions who are tired of seeing the Ocean State ranked at the bottom of national business climate surveys year after year and want to do something about it. We have come together in an unprecedented alliance with a positive, forward-looking vision for our state: to revitalize Rhode Island’s struggling economy and to create broad-based economic growth and opportunity for all Rhode Islanders. Our group’s ambitious goal is nothing short of the wholesale transformation of Rhode Island into a national model of economic competitiveness.

This legislation, which also has the backing of the Rhode Island Society of CPAs (a founding member of the Alliance), is an important step in improving the overall business climate in our state. If signed into law, this legislation would provide much-needed financial flexibility to commercial property owners facing unforeseen financial hardships or economic downturns that temporarily impact their ability to meet their tax obligations. While timely tax payment is a fundamental responsibility of all Rhode Islanders, there are instances where businesses encounter disruptions beyond their control—such as economic downturns, supply chain disruptions, natural disasters, public health crises, or tariffs—that impede their ability to make timely tax payments.

By granting municipalities the discretion to waive interest penalties in justifiable cases, this bill offers a balanced approach—supporting businesses that are struggling while ensuring municipalities maintain the authority to evaluate and approve requests on a case-by-case basis. This approach is particularly crucial as Rhode Island competes with neighboring Connecticut and

Massachusetts to attract new business development and to retain businesses that are considering relocating to states with more favorable tax climates.

Furthermore, providing this flexibility aligns with sound economic policy, allowing businesses to recover more quickly from financial setbacks, remain operational, and continue contributing to the local economy through job creation, investments, and sustained tax revenue. This bill does not eliminate tax obligations but rather acknowledges that penalizing businesses with compounding interest during periods of hardship may not always serve the best interest of economic stability and municipal revenue collection.

For these reasons, we urge the Committee to support the passage of H 5269 and recognize the importance of offering commercial property owners a fair and reasonable pathway to financial recovery when facing unexpected hardships.

Thank you for your time and consideration, and please feel free to contact me to continue this important conversation.

Respectfully submitted by:

Gregory Tumolo

Gregory Tumolo
Executive Director
Rhode Island Business Leaders Alliance