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Testimony to
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Table of Contents

- Rebuild Rhode Island Tax Credits & Sales Tax Rebates
- Tax Increment Finance Incentive
- Qualified Jobs Incentive Tax Credit
- Appendix



Rebuild Rhode Island Tax Credits & Sales Tax Rebates

Approvals Since April Conference

1 Rebuild RI projects has been approved by the Board since the April Conference



Project	Rebuild RI Award	Est. Delivery
Dyer Wharf	\$11,000,000	FY 2028

BUILDING DESIGN VIEW FROM 195 DISTRICT PARK OF SOUTHEAST CORNER



Dyer St, Providence, RI 02903

Rebuild Rhode Island Tax Credits & Sales Tax Rebates

Redemptions to the Rebuild Rhode Island tax credits are funded by a separate and dedicated escrow account that is funded annually via an appropriation. This escrow account was created to not only offset the liability created by the granting of the committed tax credits, but also provides surety to a lender or buyer of the tax credits that funds will be available for future redemptions. Both the Sales and Use Tax redemption and the net use of tax credits are funded by this escrow account. Therefore, there is no impact on state revenues associated with the Rebuild Rhode Island tax credit program beyond the annual appropriation.

As of September 30, 2025, we have certified \$87.8m in Rebuild Tax credits and reimbursed \$14.3 million in sales and use tax for a total of \$102.1 million to the date for the life of the program.

FY 2026:

- Anticipating 25 Rebuild RI Tax Credit payments totaling \$9.4 million
- 2 related Sales and Use Tax payments totaling \$5.0 million
- **Combined \$14.4 million total draw on Rebuild Fund**

FY 2027:

- Anticipating 28 Rebuild RI Tax Credit certifications totaling \$10.9 million
- Anticipating 2 Sales and Use Tax certifications totaling \$1.2 million
- **Combined \$12.1 million total draw on Rebuild Fund**



265 Manton Ave, Providence, RI

Tax Increment Finance Incentive Program

PILOT Projects

- PILOT structures involve payments that are made directly by the TIF recipients to an escrow account managed by the Commerce Corporation for the benefit of the financing, and thus are not reflected in state revenue estimates.
 - In FY 2025 actual payment receipts were \$1.7 million

FY 2026

- Disbursed \$426,103 in TIF disbursements this Fiscal year already
- **4 PILOT projects⁽²⁾ expected to be certified in FY2026**
 - Total estimated payments of \$1.8 million

FY 2027

- **4 PILOT projects expected to be disbursed in FY 2027**
 - Total estimated payments of \$1.8 million



D'Ambra Hotel (Warwick)

(1) These payments are made directly to an escrow account managed by the Commerce Corporation by the TIF recipients and thus are not reflected in state revenue estimates.
(2) Exchange Street, Residence Inn, Southern RI Hospitality, D'Ambra Warwick Hotel

Tax Increment Finance Incentive Program (continued)

Standard TIF Projects

- Payments from these recipients are collected by the Division of Taxation and then subsequently disbursed to the recipient by the state and are **subject to annual appropriation**
- As a result, those amounts disbursed will represent an adjustment to collections

FY 2026

- **Disbursed 2 Standard TIF project totaling \$1,007,560**
 - Aloft Hotel: \$192,499
 - Hammett Wharf (Newport): \$815,061
- **Anticipating 2 more Standard TIF projects to be disbursed in FY2026**
 - **Estimated total payments of \$1.1 million**
 - Aloft Hotel: \$680,289
 - Hotel Beatrice: \$384,914

FY 2027

- **Expecting 4 Standard TIF projects to certify in FY2027**
 - **Estimated total payments of \$2.4 million**
 - Aloft Hotel: \$897,130
 - Hammett Wharf: \$561,598
 - Hive Apartments: \$544,539
 - Hotel Beatrice: \$396,462



Hammett Wharf Hotel (Newport)

Qualified Jobs Incentive Tax Credit Program

Approvals Since April Conference

1 Qualified Job projects have been approved by the Board since the April Conference



Project	Projected Qualified Jobs Award	Est. Delivery
Vatn Systems, Inc.	\$6,663,750	FY 2027



Vatn Systems, Inc.

Qualified Jobs Incentive Tax Credit Program

Qualified Jobs Incentive Tax Credit rebates up to 75% (100% prior) of new personal state income tax withholdings up to a cap of \$7,500 per job for new full-time jobs that wouldn't be created but for this incentive. **Of the 49 deals approved to date, 14 are subject to the up to 100% program, 8 are subject to the up to 75% program, and 27 have been terminated.**

As of September 30th, 2025, we have certified Qualified Job Tax Credits in the amount of \$8,684,719 for the life of the program.

FY 2026

- Anticipated are 17 annual additional certifications for the remaining FY2026 with an estimated gross value of \$4.5 million

FY 2027

- Anticipating 19 annual certifications with a total gross value of \$5.3 million



Regent Craft, North Kingstown

**The anticipated total gross value is based upon original project underwriting on hiring estimates and salaries provided by the participant companies. The annual actual value of the tax credits will be based on the actual job data certified on an annual basis.*

Appendix

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