

2023 -- H 5800

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

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A N A C T

RELATING TO TAXATION -- STATEWIDE TANGIBLE PROPERTY TAX EXEMPTION

Introduced By: Representatives McEntee, Phillips, Edwards, Caldwell, Dawson,  
Finkelman, J. Lombardi, Vella-Wilkinson, and Batista

Date Introduced: February 22, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 5.3

4 STATEWIDE TANGIBLE PROPERTY TAX EXEMPTION

5 **44-5.3-1. Statewide tangible property tax exemption.**

6 (a) Notwithstanding the provisions of chapter 5 of this title or any other provisions to the  
7 contrary, in an effort to provide relief for businesses, including small businesses, and to promote  
8 economic development, all ratable, tangible personal property not otherwise exempt from taxation  
9 shall be exempt from taxation up to and including the amount of assessed value set forth in  
10 subsection (b) of this section.

11 (b) The exemption provided in subsection (a) of this section shall be up to and including  
12 the following amounts:

13 (1) Five thousand dollars (\$5,000) for the tax year ending on December 31, 2023.

14 (2) Twenty thousand dollars (\$20,000) for the tax year ending on December 31, 2024.

15 (3) Fifty thousand dollars (\$50,000) for the tax year ending on December 31, 2025.

16 (4) One hundred thousand dollars (\$100,000) for the tax year ending on December 31,  
17 2026.

18 (5) Two hundred fifty thousand dollars (\$250,000) for the tax year ending on December  
19 31, 2027.

1           (c) Beginning in fiscal year 2024 and for each fiscal year through fiscal year 2028, cities,  
2 towns, and fire districts shall receive reimbursements, as set forth in this section, from state general  
3 revenues equal to the amount of lost tax revenues due to the reduction of the tangible property tax  
4 in the respective fiscal year as a result of the corresponding exemption set forth in subsections (a)  
5 and (b) of this section. For fiscal year 2029 and for each fiscal year thereafter, cities and towns, and  
6 fire districts shall receive reimbursements equal to the amounts of reimbursements received for  
7 fiscal year 2028.

8           (d) Beginning in fiscal year 2024 and for each fiscal year through fiscal year 2028, each  
9 city, town, and fire district shall report to the department of revenue, as part of the submission of  
10 the certified tax levy pursuant to § 44-5-22, tangible property levy information sufficient to  
11 calculate reimbursements as set forth in subsection (c) of this section.

12           (e) For purposes of this chapter, exemptions existing and uniformly applied to all tangible  
13 property taxpayers in any city, town, or fire district at the time of the effective date of this chapter  
14 shall be disregarded such that lost revenue to be reimbursed pursuant to this section for each  
15 respective city, town, or fire district shall include revenue loss resulting from such pre-existing  
16 exemptions.

17           (f) Notwithstanding any other provision of law to the contrary, the tax rate for the class of  
18 property that includes tangible personal property for any city, town, or fire district shall be capped  
19 and shall not exceed thereafter the tax rate in effect for the assessment date immediately preceding  
20 the property tax year for which the exemption set forth in subsections (a) and (b) of this section  
21 first applies.

22           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO TAXATION -- STATEWIDE TANGIBLE PROPERTY TAX EXEMPTION

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1           This act would exempt from taxation all ratable, tangible personal property of businesses,  
2 starting at five thousand dollars (\$5,000) on December 31, 2023 and increasing every December  
3 31 thereafter up to a maximum amount of two hundred fifty thousand dollars (\$250,000) by  
4 December 31, 2027. This act would also provide for cities, towns, and fire districts to receive  
5 reimbursement from state general revenues equal to the amount of lost tax revenues due to the  
6 exemption.

7           This act would take effect upon passage.

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