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LC003031  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Senators Bell, Thompson, and Quezada

Date Introduced: June 06, 2025

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 44-5-13.11 of the General Laws in Chapter 44-5 entitled "Levy and  
2   Assessment of Local Taxes" is hereby amended to read as follows:

3           **44-5-13.11. Qualifying low-income housing — Assessment and taxation.**

4           (a) Any ~~residential property~~ qualifying low-income housing that has been issued an  
5   occupancy permit on or after January 1, 1995, ~~after substantial rehabilitation as defined by the U.S.~~  
6   ~~Department of Housing and Urban Development~~ and is encumbered by a covenant recorded in the  
7   land records in favor of a governmental unit or the Rhode Island housing and mortgage finance  
8   corporation restricting ~~either or~~ both the rents that may be charged to tenants of the property ~~or~~ and  
9   the incomes of the occupants of the property, is subject to a tax that equals eight percent (8%) of  
10   the property's previous years' gross scheduled rental income or a lesser percentage as determined  
11   by each municipality.

12           **(b) For the purposes of this section, "qualifying low-income housing" shall mean:**

13           **(1) A low income unit, as defined in 26 USC § 42(i)(3) on January 1, 2025, in a qualified**  
14   **low-income housing project, as defined in 26 USC § 42(g) on January 1, 2025; or**

15           **(2) Affordable housing, as defined in § 42-128-8.1(d)(1) on January 1, 2025, approved for**  
16   **tax treatment under this section as of December 31, 2024.**

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would clarify the tax treatment of qualifying low-income housing. It would require  
2   that future housing units receiving this tax treatment meet the federal definitions of a low-income  
3   unit in a qualified low-income housing project, but it would allow any unit meeting the state  
4   definition of affordable housing to continue to receive this tax treatment if it was approved as of  
5   December 31, 2024.

6           This act would take effect upon passage.

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