

2019 -- H 5948

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO TAXATION - LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Representatives Morin, Phillips, Carson, O'Brien, and Casey

Date Introduced: April 03, 2019

Referred To: House Finance

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 Any residential property that has been issued an occupancy permit on or after January 1,  
5 1995, after substantial rehabilitation as defined by the U.S. Department of Housing and Urban  
6 Development and is encumbered by a covenant recorded in the land records in favor of a  
7 governmental unit or Rhode Island housing and mortgage finance corporation restricting either or  
8 both the rents that may be charged to tenants of the property or the incomes of the occupants of  
9 the property, is subject to a tax that equals eight percent (8%) of the property's previous years'  
10 gross scheduled rental income or a lesser percentage as determined by each municipality;  
11 provided, that where twelve percent (12%) or more of the residential units within a municipality  
12 qualify for low-income housing, the tax that may be charged is ten percent (10%) of the  
13 property's current year's gross scheduled rental income or a lesser percentage as determined by  
14 each municipality. Twenty percent (20%) of the ten percent (10%) tax collected pursuant to this  
15 section shall be used by the local municipalities for public school education aid. This twenty  
16 percent (20%) collected pursuant to this section shall not be used to lower the determination of  
17 the state's share of foundation education aid, and shall not be taken into consideration in  
18 calculating the state's share of foundation education aid, as determined pursuant to §§ 16-7.2-3 or  
19 16-7.2-4.

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 permit a municipality, in which twelve percent (12%) of the housing in a  
2           municipality qualifies for low-income housing, to charge a tax up to ten percent (10%) of the  
3           current year's gross scheduled rental income. Twenty percent (20%) of the tax collected pursuant  
4           to this increase would be allocated to the local municipalities for public school education aid. The  
5           tax increase would not be used to lower the determination of the state's share of foundation  
6           education aid, and would not be used in calculating the state's share of foundation education aid.

7           This act would take effect upon passage.

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