

2025 -- H 5236

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Representatives Phillips, Bennett, Corvese, Chippendale, J. Brien, Serpa,
Fellela, and Casey

Date Introduced: January 29, 2025

Referred To: House Municipal Government & Housing

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 the
9 property, is subject to a tax that equals eight percent (8%) of the property's previous years' gross
10 scheduled rental income or a lesser percentage as determined by each municipality. Provided,
11 effective January 1, 2026, as to any residential property that is part of section 202 Supportive
12 Housing for the Elderly Program, 12 U.S.C. §1701(q), or part of section 811 Supporting Housing
13 for Persons with Disabilities Programs, 42 U.S.C. §8013, or project-based Section 8 housing, that
14 are utilizing an operating cost basis for reimbursement, those properties shall be subject to a tax
15 that equals twelve percent (12%) of the property's previous year's gross scheduled rental income,
16 or a lesser percentage as determined by each municipality. Provided, the twelve percent (12%)
17 maximum tax shall only apply so long as the property is utilizing an operating cost basis for federal
18 reimbursement.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

1 This act would provide that effective January 1, 2026, residential properties that are part of
2 Section 202 or Section 811 Federal Supportive Housing Programs, or project-based Section 8
3 housing, may be taxed up to twelve percent (12%) of the property's previous year's gross scheduled
4 rental income, so long as the property utilized an operating cost basis for federal reimbursement.

5 This act would take effect upon passage.

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