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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

Introduced By: Senator Tiara T. Mack

Date Introduced: March 14, 2025

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

- 1           SECTION 1. Chapter 44-3 of the General Laws entitled "Property Subject to Taxation" is  
2 hereby amended by adding thereto the following section:
- 3           **44-3-70. Imposition of tax on higher education private institution endowments.**
- 4           (a) There is hereby imposed a tax upon the endowment of a private institution of higher  
5 education with an endowment in excess of one billion dollars (\$1,000,000,000). This tax shall be  
6 in an amount equal to two percent (2%) upon each dollar or dollar value within the endowment in  
7 excess of one billion dollars (\$1,000,000,000).
- 8           (b) All tax revenues collected pursuant to the provisions of this section shall be deposited  
9 into a restricted receipt account.
- 10           (c) The funds in the restricted receipt account shall be disbursed to the municipality where  
11 the private institution of higher education is situated. These funds shall be used expressly to hire,  
12 retain, and support behavioral health staff within the public schools of the municipality, which staff  
13 shall include, but not be limited to, social workers, school psychologists, and behavioral health  
14 specialists.
- 15           (d) As used in this section, the following terms shall have the following meanings:
- 16           (1) "Endowment" means a fund or source of funds, much of which consists of donations  
17 of money or property to the private institution of higher education, which uses the resulting  
18 investment income for a purpose, or to be used for operations or programs of the private institution.
- 19           (2) "Situated" means the municipality where the private institution is predominantly

1 [located or maintains a majority of its physical buildings including, but not limited to, a campus.](#)

2 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 provide for a tax upon the endowment of a private institution of higher  
2   education equal to two percent (2%) upon each dollar or dollar value within the endowment in  
3   excess of one billion dollars (\$1,000,000,000). These funds would be used to hire, retain, and  
4   support behavioral health staff within the public schools of the municipality where the private  
5   institution is predominantly located.

6           This act would take effect upon passage.

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