



May 13, 2025

The Honorable Marvin L. Abney, Chairman
House Finance Committee
State House
Providence, RI 02903

Re: H.5756, An Act Relating to Taxation – Real Estate Conveyance Tax
H.6257, An Act Relating to Taxation – Real Estate Conveyance Tax

Dear Chairman Abney,

The undersigned members of the Rhode Island Business Coalition oppose the passage of H.5756 and H.6257, which both look to increase the real estate conveyance tax.

H.5756 gives municipalities the authority to adopt and assess a local transfer tax on real property sold in excess of \$900,000. The amount of the tax is capped at \$10 per \$500 of value over \$900,000. Revenues raised may only be used by the municipality for affordable housing, or be turned over to the state who then must use it for affordable housing projects. The legislation defines “affordable housing” as housing for individuals or families at or below 80% of the area median income.

H.6257 establishes an additional transfer tax on commercial property sold in excess of \$1,500,000. The amount of the tax \$3.13 per \$500 of value over \$1,500,000. Revenues raised would be deposited into the Housing Resources and Homelessness restricted receipt account.

Both H.5756 and H.6257 have the potential to affect property tax valuations if the tax decreases the desire to purchase these properties thus deflating market prices. They also send a message to potential buyers that they are not wanted in Rhode Island. Our state needs to attract wealth in order to gain revenue from the sale of goods, personal income tax, and other fees already in law that will help to grow our revenue in a healthy way.

For these reasons, we oppose the passage of H.5756 and H.6257. Thank you for your consideration.

Sincerely,

Associated Builders and Contractors – Rhode Island Chapter
East Greenwich Chamber of Commerce
Greater Newport Chamber of Commerce

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

Revity Energy

Rhode Island Bankers Association

Rhode Island Hospitality Association

Rhode Island Lumber and Building Materials Dealers Association

Rhode Island Manufacturers Association

Rhode Island Marine Trade Association

Small Business Economic Summit Regulations Committee

Small Business Economic Summit Tax and Budget Committee

cc. House Finance Committee members