



Rhode Island Department of Revenue

Division of Taxation

Via Electronic Mail

May 13, 2025

The Honorable Marvin L. Abney
Chair, House Committee on Finance
Rhode Island State House
Providence, RI 02903

**RE: Letter Regarding House Bill 6257 – An Act Relating to Taxation – Real Estate
Conveyance Tax**

Dear Chair Abney:

I am writing on behalf of the Rhode Island Department of Revenue, Division of Taxation (“Division”), to: i) express concerns regarding issues with proposed House Bill 6257 as currently drafted; ii) explain the background and current statutory context in order to clarify the intended and unintended consequences of this bill; and iii) make recommendations and request your support in implementing those recommendations.

This letter is not intended as a position in support of or opposition to the bill, but only as recommendations on drafting to provide clarity in the bill and to aid tax administration and compliance.

As you know, this bill amends R.I. Gen. Laws § 44-25-1, entitled (“Real Estate Conveyance Tax – Tax Imposed – Payment – Burden”), to impose an additional real estate conveyance tax for commercial properties sold in excess of one million five hundred thousand dollars (\$1,500,000) at a rate of three dollars and thirteen cents (\$3.13) for each five hundred dollars (\$500) or fractional part thereof over that amount, to be earmarked for the Housing Resources and Homelessness restricted receipt account established pursuant to § 42-128-2(3). The bill is set to take effect upon its passage.

As currently drafted, the bill is effective upon passage. However, the Division will have implementation costs, including allocation of resources along with form and system changes, associated with the bill. Therefore, the Division respectfully requests that the effective date be October 1, 2025, at the earliest, to allow time for implementation of the new tax.

The Division takes no position with respect to the remainder of the proposed legislation. Rather, the Division is concerned solely with the issues of clarity, tax compliance, and tax administration. As such, the Division respectfully suggests that the bill be redrafted for clarity.

I look forward to working with you to address the issues raised in this letter and appreciate your consideration.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'MSavage', with a stylized, flowing script.

Neena S. Savage
Tax Administrator

cc: The Honorable Members of the House Committee on Finance (via:
HouseFinance@rilegislature.gov)
The Honorable Arthur Handy (via: rep-handy@rilegislature.gov)
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House
Lynne Urbani, Director of House Policy
Thomas A. Verdi, Director, Department of Revenue