



Testimony of Matthew Netto, AARP Rhode Island

In support of Senate Bill 2031

Senate Finance Committee

May 12, 2026

Chairman DiPalma and Members of the Senate Finance Committee:

On behalf of AARP Rhode Island and our over 125,000 members in Rhode Island, I am pleased to express strong support for Senator Ujifusa's Senate Bill 2031, which would increase the income range to fifty thousand dollars (\$50,000) and increase the possible tax credit to eight hundred fifty dollars (\$850), for elderly and disabled persons who own or rent their homes.

Like the circuit breaker in an electrical panel, property tax circuit breakers are "tripped" when property taxes exceed a set threshold percentage of income. The circuit breaker offsets property taxes above that level. While Rhode Island does currently have this type of program, the current income threshold and maximum credit are quite low and markedly less than what our neighbors Massachusetts and Connecticut offer. It is time to get our program in line with our neighbors and for increases in cost of living to be accounted for.

Since the property tax is based on the value of the home, it is in some ways more of a tax on wealth that is not directly related to a taxpayer's current income and ability to pay. This stands in contrast with income and sales taxes; a drop in income results in a reduction in income taxes, and taxpayers can curb their purchases to avoid paying sales taxes when their income declines. Not so with the property tax, where the tax bill remains the same regardless of changes in the taxpayer's income.

Circuit breaker programs are designed to provide targeted relief to seniors who need it most – those who are lower and moderate income. They are most often retired and living on a fixed, modest income. They have limited options for rejoining the workforce, higher health care costs, and virtually no time horizon for increased saving. They also have other increasing expenses like medications, utilities, and groceries that they must pay from their fixed income.

Circuit breakers are among the most cost-effective approaches to property tax relief because they target assistance to households with the least ability to pay, rather than providing more expensive across-the-board relief to all taxpayers without regard to their payment capacity.



Rhode Island has the 8th highest property taxes per capita in the entire country. Real estate values in Rhode Island continue to skyrocket, and future assessments will likely lead to higher property taxes. Increasing the circuit breakers maximum threshold to \$50,000 and its maximum credit to \$850 would both put Rhode Island's program on par with neighboring states. This would help ensure that older Rhode Islanders can continue to age in their own homes and communities among family and friends, rather than being forced into alternate living arrangements because of increasing financial burdens.

AARP Rhode Island is very supportive of Senate Bill 2031 and we ask you to please recommend passage. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Matt Netto".

Matt Netto
Associate State Director, Advocacy
AARP Rhode Island



Neighboring States Program Numbers

Connecticut - State law provides a property tax credit program for Connecticut homeowners who are elderly or totally disabled, and whose incomes do not exceed certain limits. Property tax credit can be up to \$1,250 for married couples and \$1,000 for single people. Credits are based on a graduated income scale.

- Recipient or spouse must be 65 years of age or older or be 50 years of age or older and the surviving spouse of a homeowner who at the time his death had qualified and was entitled to tax relief provided such spouse was domiciled with such homeowner at the time of his death.
- Or 18 years of age or older and permanently and totally disabled and receiving benefits under a federal, state, or local retirement program which contains requirements comparable to those of the Social Security Administration.
- Must meet residency of at least 6 months and one day for the program year requirement.
- Grants are based upon income. If applying in Year 2021, single person's total 2020 income must be less than \$37,600; married person's total 2020 income must be less than \$45,800.
- There is no asset limit.

Massachusetts - Massachusetts' provisions include a credit available only to taxpayers 65 and older. The credit to an owner or renter of residential property located in Massachusetts is equal to the amount by which the real estate tax payment or 25 percent of the rent constituting the real estate tax payment exceeds 10 percent of the taxpayer's total income, not to exceed \$1,100 for tax year 2018. For TY 2018 eligible taxpayers cannot have total Massachusetts income exceeding \$58,000 for a single individual who is not the head of household, \$73,000 for a head of household, and \$88,000 for married couples filing a joint return, and with an assessed valuation of the residence that does not exceed \$788,000.