



May 12, 2026

The Honorable Louis P. DiPalma, Chairman  
Senate Finance Committee  
State House  
Providence, RI 02903

Re: S.2232, An Act Relating to Taxation – Real Estate Conveyance Tax

Dear Chairman DiPalma,

The undersigned members of the Rhode Island Business Coalition oppose the passage of S.2232, which looks to increase the real estate conveyance tax.

Last year, the budget enacted by the General Assembly increased the first and second tiers of the real estate conveyance tax to .75 percent. This change created an effective top-tier rate of 1.50 percent. This change was projected to generate \$18.7 million in Fiscal Year 2027. To further increase the real estate conveyance tax this year will have a significant impact on real estate sales across our state.

S.2232 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.

This legislation has 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 S.2232. Thank you for your consideration.

Sincerely,

David Chenevert, Chairman, Rhode Island Business Coalition  
Associated Builders and Contractors – Rhode Island Chapter  
East Greenwich Chamber of Commerce

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

Greater Newport Chamber of Commerce

Northern Rhode Island Chamber of Commerce

Propane Gas Association of New England

Rhode Island Bankers Association

Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Staffing Association

cc. Senate Finance Committee members