



April 28, 2026

The Honorable Louis DiPalma, Chairperson
Senate Finance Committee
82 Smith Street
Providence, Rhode Island 02903

RE: S2251—ELIMINATING ESTATE TAX

Dear Chairperson and Committee Members:

On behalf of the Rhode Island Association of REALTORS® (RIAR), we respectfully submit this testimony in support of S2251. RIAR represents more than 5,900 licensed real estate professionals who list, sell, lease, manage, and appraise residential and commercial real estate to make Rhode Island a better place to call home.

S2251 repeals Rhode Island's estate and transfer tax framework in its entirety, eliminating the tax imposed on the transfer of a decedent's estate and removing associated administrative and enforcement provisions. By doing so, the legislation simplifies the state's tax structure, reduces compliance burdens on families and fiduciaries, and aligns Rhode Island more closely with states that do not impose estate taxes.

Restores Rhode Island's Competitive Position in the Regional Economy

Rhode Island's estate tax creates a structural disadvantage that can influence where individuals choose to live, invest, and build long-term roots.

- Removes a tax burden that frequently drives relocation and domicile decisions among retirees and high-net-worth households.
- Improves the state's ability to attract, grow, and retain long-term residents who contribute to the tax base and local economy.
- Reinforces Rhode Island's standing to neighboring states that offer more favorable tax environments.

By repealing the estate tax, the state sends a clear signal that it supports wealth retention and long-term economic growth.

Drives In-State Investment and Preserves Local Capital

Rhode Island's estate tax can accelerate the outflow of capital by incentivizing individuals to relocate assets or establish domicile in lower-tax jurisdictions.

- Discourages the migration of wealth by removing tax-driven incentives to shift assets out of state.
- Spurs reinvestment in Rhode Island real estate, small businesses, and local development opportunities.
- Sustains generational wealth within communities, strengthening long-term economic stability.

Maintaining capital within Rhode Island supports property markets, local enterprises, and municipal tax bases.

Protects Housing Stability and Facilitates Generational Property Transfers

The estate tax can complicate and delay the transfer of real property across generations.

- Relieves pressure that can force the premature sale of inherited homes to satisfy tax obligations.
- Streamlines intergenerational transfers of residential and investment properties.
- Preserves family ownership, particularly for long-held homes and small-scale rental properties.

Reducing these barriers promotes neighborhood continuity, supports housing stability, and helps maintain long-term access to homeownership.

Eliminates Administrative Burdens and Streamlines Estate Administration

The current estate tax framework requires extensive filings, valuations, and oversight.

- Removes detailed reporting and valuation obligations placed on executors and trustees.
- Simplifies estate settlement and probate proceedings by reducing procedural hurdles.
- Lowers legal, accounting, and appraisal costs associated with tax compliance.

Reducing administrative complexity eases the burden on families during difficult periods while improving overall efficiency within the estate administration process.

Enhances Certainty and Stability in Long-Term Estate Planning

Rhode Island's estate tax introduces uncertainty that can complicate financial planning and distort long-term decision-making.

- Establishes clear, predictable expectations for individuals developing estate and succession plans.
- Eliminates the need for tax-driven structuring that can override otherwise sound financial choices.
- Empowers families to focus on personal, financial, and generational goals without artificial constraints.

Aligns Rhode Island's Tax Structure with Growth-Oriented Economic Policy

Rhode Island's estate tax is increasingly out of step with modern tax policy trends that prioritize competitiveness, mobility, and capital retention.

- Tracks with national movement toward reducing or eliminating estate taxes.
- Signals a clear commitment to a pro-growth, investment-friendly tax environment.
- Supports broader economic development strategies aimed at strengthening the state's long-term fiscal and economic foundation.

A more competitive tax structure can contribute to sustained economic vitality.

Conclusion

S2251 represents a meaningful step toward improving Rhode Island's economic climate, supporting housing stability, and reducing unnecessary administrative burdens. By eliminating the estate tax, it encourages investment, promotes intergenerational property retention, and enhances the state's ability to compete.

The Rhode Island Association of REALTORS® respectfully urges the Committee to support S2251.

Respectfully submitted,



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Rhode Island Association of REALTORS®