

Jeremy Booth
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Date: May 12, 2026

To the Honorable Members of the Rhode Island Senate,

I am writing in opposition to Senate Bill S 2549.

While the bill is intended to address housing affordability and speculative investment, I believe it would instead worsen Rhode Island's housing challenges and discourage the very redevelopment activity our state needs.

The tax rates proposed in S 2549 are extraordinarily high, reaching up to 80% on certain real-estate gains. These rates are far beyond normal capital gains taxation and would strongly discourage property investment, redevelopment, and housing creation throughout Rhode Island.

Many short-term real-estate transactions are not harmful speculation. Small property owners and local developers often purchase distressed or abandoned properties, invest significant money into renovations, improve neighborhoods, and return housing to productive use. These projects frequently require resale within a few years due to financing realities. Under this bill, the faster and more successfully a property is improved, the larger the tax penalty becomes.

At a time when Rhode Island already faces housing shortages, rising construction costs, and slow housing production, this bill would discourage renovation, rehabilitation, adaptive reuse, and new investment. The likely result is fewer housing units improved or created, tighter inventory, and even higher housing costs over time.

The bill would also place a disproportionate burden on small local property owners and independent investors, while larger institutional firms are better positioned to absorb the costs or restructure around the tax. This risks accelerating consolidation of housing ownership rather than supporting local investment.

In addition, the mandatory 10% withholding requirement on total sale price — not actual profit — could create serious cash-flow and closing problems for ordinary Rhode Islanders, including retirees and small landlords.

Rhode Island does not have too much housing investment. It has too little housing supply. S 2549 would discourage redevelopment, reduce market activity, and weaken Rhode Island's competitiveness at a time when we should be encouraging responsible housing investment and neighborhood revitalization.

For these reasons, I respectfully urge you to oppose S 2549.

Thank you for your consideration.

Sincerely,

Jeremy Booth