

DOR Rhode Island Department of Revenue
Division of Taxation

Via Electronic Mail

March 12, 2026

The Honorable Jacob E. Bissaillon
Chair, Senate Committee on Housing and Municipal Government
Rhode Island State House
Providence, RI 02903

RE: Letter Regarding Senate Bill 2698 – An Act Relating to Taxation – Non-Owner Occupied Property Tax Act

Dear Chair Bissaillon:

I am writing on behalf of the Rhode Island Department of Revenue, Division of Taxation (“Division”), to: i) express concerns regarding issues with proposed Senate Bill 2698 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 would amend R.I. Gen. Laws § 44-72-3 (“Non-Owner Occupied Property Tax Act – Definitions”) to add a definition for “[s]reasonably-habitable non-owner occupied residences” and amend R.I. Gen. Laws § 44-72-5 to add a non-owner occupied property tax exemption for “seasonably-habitable non-owner occupied residences between the dates of October 15, and May 15 of each taxable year.” The bill is set to take effect upon passage.

If the bill’s intent is to create an exemption to the non-owner occupied property tax for “seasonably-habitable non-owner occupied residences,” the bill should be redrafted to effectuate that goal. The bill, as currently drafted, would not create the intended exemption. The Division respectfully suggests that the phrase “between the dates of October 15, and May 15 of each taxable year” be eliminated if the bill’s intent is to create an exemption for these types of residences. Further, the definition of “[s]reasonably-habitable non-owner occupied residences” is ambiguous and should be narrowly tailored to address the specific exemption sought by the bill.

Finally, the effective date for the new tax is upon passage. The new non-owner occupied property tax is effective July 1, 2026. For clarity, the Division would respectfully request that the language

be changed so that the effective date is for tax years beginning on or after July 1, 2026. This would ensure that the intended exemption is administered commensurate with the current exemptions under R.I. Gen. Laws § 44-72-5.

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.

The Division looks forward to working with you to address the issues raised in this letter and appreciates your consideration.

Very truly yours,



Bethany M. Whitmarsh
Assistant Tax Administrator

cc: The Honorable Members of the Senate Committee on Housing and Municipal Government (via: slegislation@rilegislature.gov)
The Honorable Louis P. DiPalma (via: sen-dipalma@rilegislature.gov)
Kristen Silvia, Deputy Chief of Staff/Director of Legislation
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