



Tax Classification, Statutory Exemptions & Recommendations Discussion

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RI Property Tax Overview

Tax Comparisons





Real Property Fiscal Year 2003

City or Town	Office Space - 279,000 sq ft			Office Space - 150,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$25,500,000	\$35.85	\$914,175	\$11,215,000	\$35.85	\$402,058
Burrillville	25,500,000	18.90	481,950	11,215,000	18.90	211,964
Cranston	25,500,000	34.38	876,690	11,215,000	34.38	385,572
Newport	25,500,000	15.27	389,385	11,215,000	15.27	171,253
North Kingstown	25,500,000	22.60	576,300	11,215,000	22.60	253,459
Pawtucket	25,500,000	30.53	778,515	11,215,000	30.53	342,394
Providence	25,500,000	35.94	916,470	11,215,000	35.94	403,067
Westerly	25,500,000	13.98	356,490	11,215,000	13.98	156,786

City or Town	Office Space - 32,000 sq ft			Retail - 196,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$2,286,000	\$35.85	\$81,953	\$12,925,000	\$35.85	\$463,361
Burrillville	2,286,000	18.90	43,205	12,925,000	18.90	244,283
Cranston	2,286,000	34.38	78,593	12,925,000	34.38	444,362
Newport	2,286,000	15.27	34,907	12,925,000	15.27	197,365
North Kingstown	2,286,000	22.60	51,664	12,925,000	22.60	292,105
Pawtucket	2,286,000	30.53	69,792	12,925,000	30.53	394,600
Providence	2,286,000	35.94	82,159	12,925,000	35.94	464,525
Westerly	2,286,000	13.98	31,958	12,925,000	13.98	180,692

City or Town	Hospitality - 113,000 sq ft			Manufacturing - 204,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$10,710,000	\$35.85	\$383,954	\$3,085,800	\$35.85	\$110,626
Burrillville	10,710,000	18.90	202,419	3,085,000	18.90	58,307
Cranston	10,710,000	34.38	368,210	3,085,000	34.38	106,062
Newport	10,710,000	15.27	163,542	3,085,000	15.27	47,108
North Kingstown	10,710,000	22.60	242,046	3,085,000	22.60	69,721
Pawtucket	10,710,000	30.53	326,976	3,085,000	30.53	94,185
Providence	10,710,000	35.94	384,917	3,085,000	35.94	110,875
Westerly	10,710,000	13.98	149,726	3,085,000	13.98	43,128



Real Property Fiscal Year 2009

City or Town	Office Space - 279,000 sq ft			Office Space - 150,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$45,246,000	\$20.12	\$910,350	\$22,459,000	\$20.12	\$451,875
Burrillville	45,246,000	11.85	536,165	22,459,000	11.85	266,139
Cranston	45,246,000	23.01	1,041,110	22,459,000	23.01	516,782
Newport	45,246,000	12.93	585,031	22,459,000	12.93	290,395
North Kingstown	45,246,000	13.83	625,752	22,459,000	13.83	310,608
Pawtucket	45,246,000	20.88	944,736	22,459,000	20.88	468,944
Providence	45,246,000	28.00	1,266,888	22,459,000	28.00	628,852
Westerly	45,246,000	8.87	401,332	22,459,000	8.87	199,211

City or Town	Office Space - 32,000 sq ft			Retail - 196,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$5,487,000	\$20.12	\$110,398	\$26,783,000	\$20.12	\$538,874
Burrillville	5,487,000	11.85	65,021	26,783,000	11.85	317,379
Cranston	5,487,000	23.01	126,256	26,783,000	23.01	616,277
Newport	5,487,000	12.93	70,947	26,783,000	12.93	346,304
North Kingstown	5,487,000	13.83	75,885	26,783,000	13.83	370,409
Pawtucket	5,487,000	20.88	114,569	26,783,000	20.88	559,229
Providence	5,487,000	28.00	153,636	26,783,000	28.00	749,924
Westerly	5,487,000	8.87	48,670	26,783,000	8.87	237,565

City or Town	Hospitality - 113,000 sq ft			Manufacturing - 204,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$18,869,000	\$20.12	\$379,644	\$8,164,000	\$20.12	\$164,260
Burrillville	18,869,000	11.85	223,598	8,164,000	11.85	96,743
Cranston	18,869,000	23.01	434,176	8,164,000	23.01	187,854
Newport	18,869,000	12.93	243,976	8,164,000	12.93	105,561
North Kingstown	18,869,000	13.83	260,958	8,164,000	13.83	112,908
Pawtucket	18,869,000	20.88	393,985	8,164,000	20.88	170,464
Providence	18,869,000	28.00	528,332	8,164,000	28.00	228,592
Westerly	18,869,000	8.87	167,368	8,164,000	8.87	72,415



Change in Real Property

City or Town	Office Space - 279,000 sq ft			Office Space - 150,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$19,746,000	(\$15.73)	(\$3,825)	\$11,244,000	(\$15.73)	\$49,817
Burrillville	19,746,000	(7.05)	54,215	11,244,000	(7.05)	54,176
Cranston	19,746,000	(11.37)	164,420	11,244,000	(11.37)	131,210
Newport	19,746,000	(2.34)	195,646	11,244,000	(2.34)	119,142
North Kingstown	19,746,000	(8.77)	49,452	11,244,000	(8.77)	57,149
Pawtucket	19,746,000	(9.65)	166,221	11,244,000	(9.65)	126,550
Providence	19,746,000	(7.94)	350,418	11,244,000	(7.94)	225,785
Westerly	19,746,000	(5.11)	44,842	11,244,000	(5.11)	42,426

City or Town	Office Space - 32,000 sq ft			Retail - 196,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$3,201,000	(\$15.73)	\$28,445	\$13,858,000	(\$15.73)	\$75,513
Burrillville	3,201,000	(7.05)	21,816	13,858,000	(7.05)	73,096
Cranston	3,201,000	(11.37)	47,663	13,858,000	(11.37)	171,915
Newport	3,201,000	(2.34)	36,040	13,858,000	(2.34)	148,939
North Kingstown	3,201,000	(8.77)	24,222	13,858,000	(8.77)	78,304
Pawtucket	3,201,000	(9.65)	44,777	13,858,000	(9.65)	164,629
Providence	3,201,000	(7.94)	71,477	13,858,000	(7.94)	285,400
Westerly	3,201,000	(5.11)	16,711	13,858,000	(5.11)	56,874

City or Town	Hospitality - 113,000 sq ft			Manufacturing - 204,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$8,159,000	(\$15.73)	(\$4,309)	\$5,078,200	(\$15.73)	\$53,634
Burrillville	8,159,000	(7.05)	21,179	5,079,000	(7.05)	38,437
Cranston	8,159,000	(11.37)	65,966	5,079,000	(11.37)	81,791
Newport	8,159,000	(2.34)	80,434	5,079,000	(2.34)	58,453
North Kingstown	8,159,000	(8.77)	18,912	5,079,000	(8.77)	43,187
Pawtucket	8,159,000	(9.65)	67,008	5,079,000	(9.65)	76,279
Providence	8,159,000	(7.94)	143,415	5,079,000	(7.94)	117,717
Westerly	8,159,000	(5.11)	17,642	5,079,000	(5.11)	29,286



Tangible Property Fiscal Year 2003

City or Town	Office Space - 279,000 sq ft			Office Space - 150,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$6,479,000	\$35.85	\$232,272	\$3,122,000	\$35.85	\$111,924
Burrillville	6,479,000	18.90	122,453	3,122,000	18.90	59,006
Cranston	6,479,000	34.38	222,748	3,122,000	34.38	107,334
Newport	6,479,000	15.27	98,934	3,122,000	15.27	47,673
North Kingstown	6,479,000	22.60	146,425	3,122,000	22.60	70,557
Pawtucket	6,479,000	52.09	337,491	3,122,000	52.09	162,625
Providence	6,479,000	49.35	319,739	3,122,000	49.35	154,071
Westerly	6,479,000	13.98	90,576	3,122,000	13.98	43,646

City or Town	Office Space - 32,000 sq ft			Retail - 196,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$376,400	\$35.85	\$13,494	\$5,634,200	\$35.85	\$201,986
Burrillville	376,400	18.90	7,114	5,634,200	18.90	106,486
Cranston	376,400	34.38	12,941	5,634,200	34.38	193,704
Newport	376,400	15.27	5,748	5,634,200	15.27	86,034
North Kingstown	376,400	22.60	8,507	5,634,200	22.60	127,333
Pawtucket	376,400	52.09	19,607	5,634,200	52.09	293,485
Providence	376,400	49.35	18,575	5,634,200	49.35	278,048
Westerly	376,400	13.98	5,262	5,634,200	13.98	78,766

City or Town	Hospitality - 113,000 sq ft			Manufacturing - 204,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$1,246,300	\$35.85	\$44,680	\$362,200	\$35.85	\$12,985
Burrillville	1,246,300	18.90	23,555	362,200	18.90	6,846
Cranston	1,246,300	34.38	42,848	362,200	34.38	12,452
Newport	1,246,300	15.27	19,031	362,200	15.27	5,531
North Kingstown	1,246,300	22.60	28,166	362,200	22.60	8,186
Pawtucket	1,246,300	52.09	64,920	362,200	52.09	18,867
Providence	1,246,300	49.35	61,505	362,200	49.35	17,875
Westerly	1,246,300	13.98	17,423	362,200	13.98	5,064



Tangible Property Fiscal Year 2009

City or Town	Office Space - 279,000 sq ft			Office Space - 150,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$8,112,400	\$26.82	\$217,575	\$2,318,800	\$26.82	\$62,190
Burrillville	8,112,400	11.85	96,132	2,318,800	11.85	27,478
Cranston	8,112,400	23.01	186,666	2,318,800	23.01	53,356
Newport	8,112,400	12.93	104,893	2,318,800	12.93	29,982
North Kingstown	8,112,400	13.83	112,194	2,318,800	13.83	32,069
Pawtucket	8,112,400	52.09	422,575	2,318,800	52.09	120,786
Providence	8,112,400	52.50	425,901	2,318,800	52.50	121,737
Westerly	8,112,400	8.87	71,957	2,318,800	8.87	20,568

City or Town	Office Space - 32,000 sq ft			Retail - 196,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$770,100	\$26.82	\$20,654	\$1,359,000	\$26.82	\$36,448
Burrillville	770,100	11.85	9,126	1,359,000	11.85	16,104
Cranston	770,100	23.01	17,720	1,359,000	23.01	31,271
Newport	770,100	12.93	9,957	1,359,000	12.93	17,572
North Kingstown	770,100	13.83	10,650	1,359,000	13.83	18,795
Pawtucket	770,100	52.09	40,115	1,359,000	52.09	70,790
Providence	770,100	52.50	40,430	1,359,000	52.50	71,348
Westerly	770,100	8.87	6,831	1,359,000	8.87	12,054

City or Town	Hospitality - 113,000 sq ft			Manufacturing - 204,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$1,662,900	\$26.82	\$44,599	\$476,200	\$26.82	\$12,772
Burrillville	1,662,900	11.85	19,705	476,200	11.85	5,643
Cranston	1,662,900	23.01	38,263	476,200	23.01	10,957
Newport	1,662,900	12.93	21,501	476,200	12.93	6,157
North Kingstown	1,662,900	13.83	22,998	476,200	13.83	6,586
Pawtucket	1,662,900	52.09	86,620	476,200	52.09	24,805
Providence	1,662,900	52.50	87,302	476,200	52.50	25,001
Westerly	1,662,900	8.87	14,750	476,200	8.87	4,224



Change in Tangible Property

City or Town	Office Space - 279,000 sq ft			Office Space - 150,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$1,633,400	(\$9.03)	(\$14,698)	(\$803,200)	(\$9.03)	(\$49,733)
Burrillville	1,633,400	(7.05)	(26,321)	(803,200)	(7.05)	(31,528)
Cranston	1,633,400	(11.37)	(36,082)	(803,200)	(11.37)	(53,979)
Newport	1,633,400	(2.34)	5,959	(803,200)	(2.34)	(17,691)
North Kingstown	1,633,400	(8.77)	(34,231)	(803,200)	(8.77)	(38,488)
Pawtucket	1,633,400	-	85,084	(803,200)	-	(41,839)
Providence	1,633,400	3.15	106,162	(803,200)	3.15	(32,334)
Westerly	1,633,400	(5.11)	(18,619)	(803,200)	(5.11)	(23,078)

City or Town	Office Space - 32,000 sq ft			Retail - 196,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$393,700	(\$9.03)	\$7,160	(\$4,275,200)	(\$9.03)	(\$165,538)
Burrillville	393,700	(7.05)	2,012	(4,275,200)	(7.05)	(90,382)
Cranston	393,700	(11.37)	4,779	(4,275,200)	(11.37)	(162,433)
Newport	393,700	(2.34)	4,210	(4,275,200)	(2.34)	(68,462)
North Kingstown	393,700	(8.77)	2,144	(4,275,200)	(8.77)	(108,538)
Pawtucket	393,700	-	20,508	(4,275,200)	-	(222,695)
Providence	393,700	3.15	21,855	(4,275,200)	3.15	(206,700)
Westerly	393,700	(5.11)	1,569	(4,275,200)	(5.11)	(66,712)

City or Town	Hospitality - 113,000 sq ft			Manufacturing - 204,000 sq ft		
	Assessed Value	Tax Rate	Property Tax Levy	Assessed Value	Tax Rate	Property Tax Levy
Warwick	\$416,600	(\$9.03)	(\$81)	\$114,000	(\$9.03)	(\$213)
Burrillville	416,600	(7.05)	(3,850)	114,000	(7.05)	(1,203)
Cranston	416,600	(11.37)	(4,584)	114,000	(11.37)	(1,495)
Newport	416,600	(2.34)	2,470	114,000	(2.34)	626
North Kingstown	416,600	(8.77)	(5,168)	114,000	(8.77)	(1,600)
Pawtucket	416,600	-	21,701	114,000	-	5,938
Providence	416,600	3.15	25,797	114,000	3.15	7,126
Westerly	416,600	(5.11)	(2,673)	114,000	(5.11)	(840)



RI Property Tax Overview



Problems & Possible Solutions



Tax Classification's Affect on Business Location

Problem:

As residential property values have increased at a far greater rate than commercial values over almost two decades, municipalities with a high proportion of commercial property have adopted tax classification or homestead exemption plans to preserve the revenue product from commercial property and to moderate tax increases on residential property. They have also adopted high tangible property tax rates for the same reason. This has made commercial property less desirable in high commercial tax communities and more desirable in low tax communities.

Solutions:

1. Limit the range of tax classification or homestead exemption plans in future years.
2. Standardize commercial property taxes to assure an even playing field for commercial properties.
3. Require municipalities to comply with tax classification limitations in order to qualify for state aid.



Tax Classification & Homestead Exemptions

Problem:

The tax classification or homestead exemption plans are excessively complicated in a number of municipalities and allow for relative changes in tax rates and tax levies from one type of property to another during each tax cycle. Lack of transparency involving current and future levies discourages locational decisions.

Solutions:

1. Reinstate equivalent percent tax rate changes for each class of property from one year to the next for all municipalities.
2. Require disclosure after a revaluation as to what tax rates would be required to support the same total tax levy as before the revaluation.



Special Tax Treaties

Problem:

High commercial rates in some communities have made special tax treaties a necessity to attract new development and result in discrimination against existing tenants and taxpayers.

Solutions:

1. Limit special treaty agreements to a benchmark such as the average state tax rate.
2. Limit newly locating businesses to a tax rate no greater than 50% more than the effective residential rate (generic classification).



Elderly Exemptions

Problem:

With an aging population, some municipalities have pursued aggressive elderly personal exemption policies often with no income qualifier. While protecting the elderly from increased taxes, this policy has undermined the tax capacity of those municipalities.

Solutions:

1. Require qualifying for the state circuit breaker credit as a prerequisite for municipally offered exemptions.
2. Eliminate tax freeze programs with no income qualifiers.
3. Require municipalities to comply with limitations in order to qualify for state aid.



Tax Appeal Process

Problem:

An elaborate decentralized property tax appeal process has prevented municipalities (and especially those with unique commercial property) from completing the appeal process in a timely manner. Also, valuation of public utility property from one municipality to another is in dispute.

Solutions:

1. Establish a tax court similar to Massachusetts.
2. Reduce the number of appeal opportunities prior to going to tax court.
3. Standardize the valuation of public utility property.



Non-Profit Organizations

Problem:

Lack of clarity on the tax exempt status of certain non-profit organizations has also undermined the tax capacity of some municipalities.

Solutions:

1. Eliminate exemption for high gross receipt non-profit entities which compete with profit making entities.
2. Eliminate exemptions by Charter where tax exempt institutions are identified by name rather than purpose.



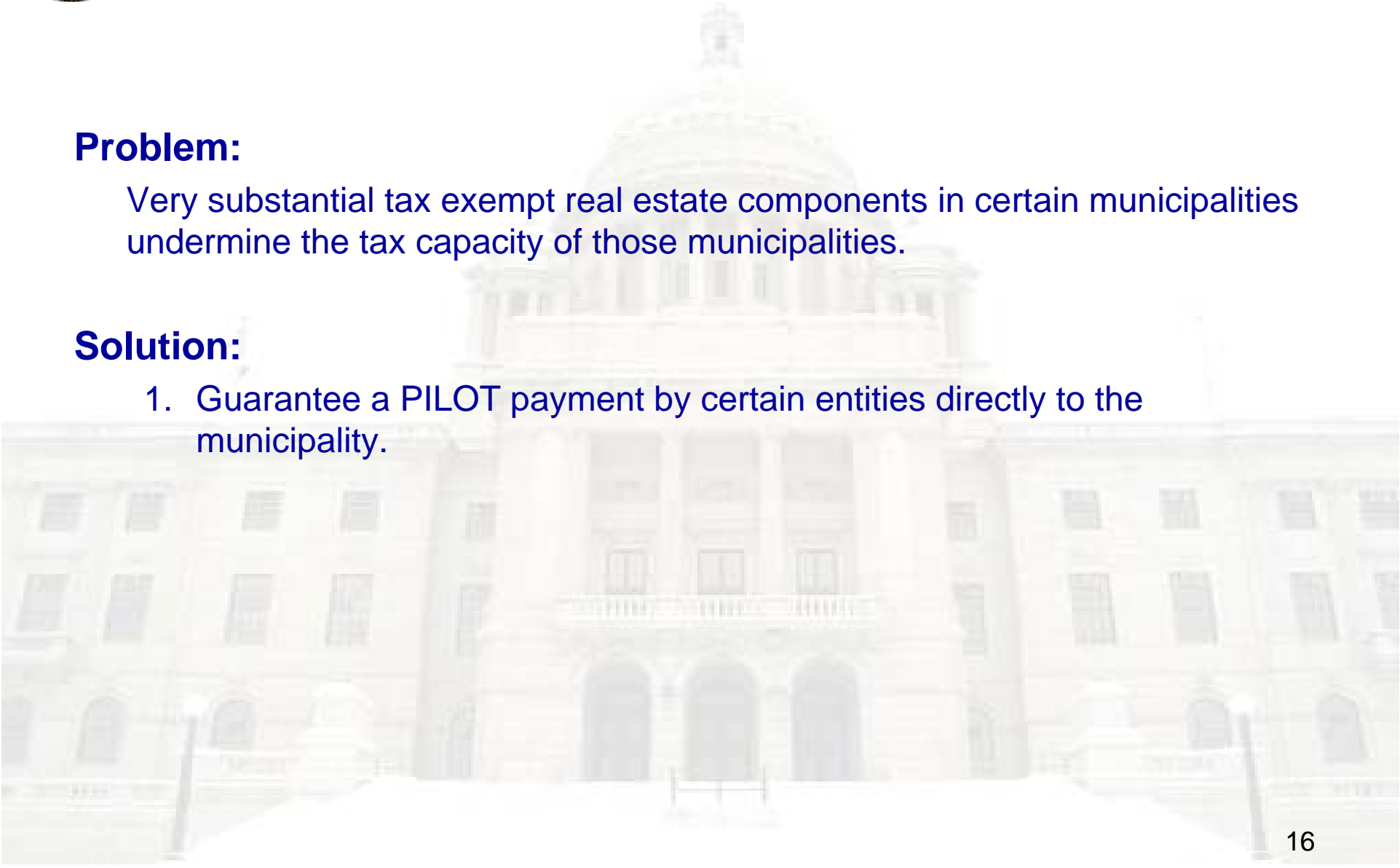
Tax Exempt Properties

Problem:

Very substantial tax exempt real estate components in certain municipalities undermine the tax capacity of those municipalities.

Solution:

1. Guarantee a PILOT payment by certain entities directly to the municipality.





State Aid

Problem:

State aid programs which were constructed to assist municipalities with low tax capacity and reduce the reliance on the property tax have been undermined by the state's financial condition.

Solutions:

1. Reallocate state aid to those municipalities which accept state standards on tax classification and personal exemptions and reduce or reallocate state aid from others who do not comply.
2. Reevaluate the formula methods of distributing state aid to make sure low tax capacity, high tax effort municipalities benefit the most.