



**Thank you for joining us.
We will begin shortly.**

Rhode Island Department of Revenue
Division of Taxation

Non-Owner Occupied Property Tax Virtual Presentation

April 8, 2026

Before We Begin

This presentation is plain language summary of RI's Non-Owner Occupied Property Tax and is for general information purposes only. It is not a substitute for the Rhode Island General Laws, or for Rhode Island Division of Taxation regulations, rulings, or notices.

The material presented today is an overview and may not be reflective of all possible tax situations. If you have questions regarding specific situations or clients, please reach out to Tax.Property@tax.ri.gov.

What you can expect from this presentation

- What is the Non-Owner Occupied Property Tax?
- Does the Non-Owner Occupied Property Tax apply to me?
- Do I qualify for an exemption?
- What are my obligations?
- What if I'm buying or selling a property?
- How do I pay?
- Who do I reach out to with questions?
- FAQs/Q & A

What we have done to prepare for the July 1 effective date

Planning/Programming/Data Perfection

7/2025-Present

- *Understand statutory requirements;
- *Train staff/programmers/data analysis;
- *Review public data from 39 City/Town tax assessments;
- *Purchase and review tax assessment data;
- *Segregate assessed properties over \$1M, determine what properties are residential;
- *Discuss potential factual issues (appeals, transfers, exemptions).

Communication/Education/Regulation

7/2025-Present

- *Notify public of tax beginning in 7/2025;
- *Provided overview of tax to tax professionals, tax assessors, town clerks, at 8 separate outreach sessions since Oct. 2025;
- *Issue Advisory/FAQs (March 2026);
- *Meet with key stakeholders (March 2026);**
- *Hold virtual training session;**
- *Send letter requesting taxpayer confirmation/attestation of occupancy (March 2026);**
- *Set up informational sessions with Realtors, RI Bar Association, RISCPCAs, and others (April, May, June 2026);**
- *Issue proposed Regulation (March/April 2026).**

Tax Assessment and Billing

3/2026-7/2026

- *Review responses to initial letter, continue to review data using taxpayer records to confirm residency;
- *Send additional notices, requests for information;
- * Initial bill with 4 quarterly payments with option to pay entire bill to be issued in July 2026 with first payment due September 15, 2026.

Resources/Links

[Advisory: Non-Owner Occupied Property Tax](#)

[Webpage: Non-Owner Occupied Property Tax](#)

[FAQs regarding the Non-Owner Occupied Property Tax](#)

What we have done to prepare for the July 1 effective date

Communication/Education/Regulation

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What is the Non-Owner Occupied Property Tax?



Non-Owner Occupied Property Tax

- Effective July 1, 2026: [Non-Owner Occupied Property Tax Act](#).
- A new tax on residential property with an assessed value over \$1 million for property that is not the primary residence of property owner.
 - For tax years beginning on or after July 1, 2027, the \$1 million threshold will be indexed for inflation.

Important Definitions:

“Non-owner occupied”

The residential property does not serve as the owner’s primary residence and is not occupied by the owner of the property for 183 days or more during a given privilege year.

Important Definitions:

“Privilege year”

The July 1 through June 30 period directly preceding the tax year.

This is the year that is the basis for determining whether the property is subject to the tax or qualifies for an exemption.

The first privilege year is July 1, 2025 – June 30, 2026.

Important Definitions:

“Tax year”

The year in which the tax is due and payable.

The first tax year is July 1, 2026 – June 30, 2027.

Important Definitions:

“Assessed value”

The assessed value of the residential property by the city or town in which the property is located as of December 31 prior to the beginning of the privilege year. It is not the purchase price.

Timeline

Value assessed as of	Privilege Year	Tax Year	Payments due
December 31, 2024	July 1, 2025 – June 30, 2026	July 1, 2026 – June 30, 2027	September 15, 2026 December 15, 2026 March 15, 2027 June 15, 2027
December 31, 2025	July 1, 2026 – June 30, 2027	July 1, 2027 – June 30, 2028	September 15, 2027 December 15, 2027 March 15, 2028 June 15, 2028
December 31, 2026	July 1, 2027 – June 30, 2028	July 1, 2028 – June 30, 2029	September 15, 2028 December 15, 2028 March 15, 2029 June 15, 2029

How is assessed value determined?

The assessed value is the value of a property as determined by the city/town.

- The same value used to determine the assessment for municipal property taxes.
- The assessed value used is as of 12/31 of the prior calendar year.
- For July 1, 2025 – June 30, 2026 (the first privilege year of the tax), the assessed value used is as of 12/31/2024.

How is assessed value determined?

My town is going to update the assessed value of residential property next year, will that change impact this tax?

- It will not impact the tax for the current tax year because tax is based on the assessed value as of 12/31 of the prior calendar year.
- It will impact the tax for future tax years if the assessed value as of 12/31 differs from the prior year.

FAQ

I purchased a vacation home in Rhode Island that is unoccupied for 200 days each privilege year. It is assessed at \$1.3 million, but I purchased the property for \$500,000. Is this property exempt from the tax?

No. The property is subject to the tax if the property has an assessed value by the city/town of more than \$1 million and is not occupied for 183 days or more in a privilege year.

Does the Non-Owner Occupied Property Tax apply to me?



Does the Non-Owner Occupied Property Tax apply to me?

The tax applies if:

- The property is valued at over \$1 million and the owner does not occupy the property for 183 days or more each year (i.e. it is not the owner's primary residence).
- May be subject to a qualifying exemption from the tax.

Primary Residence

The property is deemed occupied by the owner if the property is the owner's primary residence.

A primary residence is a residential property where a taxpayer lives for 183 or more days within the privilege year.

In most cases, the primary residence would be used on a taxpayer's resident 1040 personal income tax return, driver's license, and other official documents.

Do I qualify for an exemption?

If the tax applies (valued over \$1 million and not occupied by owner), the property may be exempt from the tax.

Exemptions include:

- Property is rented for 183 days or more each year **and** is subject to the Residential Landlord Tenant Act.
 - i.e. rentals to tenants for 183 days or more each year with a signed agreement, such as a lease.
- Property is rented for 183 days or more each year **and** is subject to sales tax and hotel taxes.
 - i.e. short-term rentals for 183 days or more each year with proper documentation.

FAQs - Exemptions

I have a seasonal short-term rental that I rent for 60 days from July 1, 2025 to June 30, 2026 and I rent it to tenants for 123 days during that same period, is my property exempt from the tax?

Yes, the property is rented for 183 days during the privilege year and is exempt from the property tax.

I am the owner of a property that I lived in for 160 days during the period from July 1, 2025 to June 30, 2026, and I rented the property as a short-term rental for 20 days and to a tenant for 60 days for that same period, is my property exempt from the tax?

No. If the property is not owner-occupied for 183 days or more, it must be rented as a short-term or long-term rental for 183 days or more to qualify for an exemption.

What are my obligations?



What are my obligations?

Do I need to file a tax return related to my Non-Owner Occupied Property Tax liability?

No. The Division of Taxation will send out a notice for each taxable property with the tax owed.

When will I receive this notice?

At the beginning of each tax year based on best available records.

How will I know when the tax is due?


The notice will also include payment due dates.

What are my obligations?

- First notice sent in March 2026:
 - Sent to taxpayers without existing data confirming property is owner's primary residence.
 - Requests documentation of proof of residency and/or applicable exemptions.
- Notice of Assessment to be sent in July 2026.
- First quarterly payments due 09/15/26.
- Taxpayers notified in advance
 - Opportunity for proactive exemption so taxpayers do not get billed; and
 - Limited impact on taxpayers with confirmed primary residence or exemption.

What does the notice look like?

Initial Letter: Starting 03/24/26

 State of Rhode Island
DIVISION OF TAXATION
One Capitol Hill
Providence, RI 02908-5800


Date _____

Owner Full Name
or Current Owner
Address Line 1
Address Line 2
City, State Zip Code _____

Case ID: _____
Notice ID: _____

Dear Taxpayer:

The Rhode Island Division of Taxation is sending you this notice because the below-referenced property may be subject to the Non-Owner Occupied Property Tax pursuant to R.I. Gen Laws Chapter 44-72. For information on the tax, please visit our dedicated webpage with Frequently Asked Questions and other available resources: <https://tax.ri.gov/tax-sections/sales-excise-taxes/non-owner-occupied-property-tax>.

 Scan with a mobile phone camera to visit the webpage

Please note, if you agree that you are subject to the tax, then you do not need to respond to this notice and a bill will be issued for the tax due.

Otherwise, please respond to the below questions. Your answers will aid in the determination of whether your property is subject to or exempt from the tax.

If you answer "Yes" to any of the questions, please sign the attestation, scan this notice along with all documents supporting the statements and email the packet to Tax.Property@tax.ri.gov within thirty (30) days of the date of this notice. Failure to respond within the 30-day period may result in a bill being issued for the Non-Owner Occupied Property Tax.

Your property is assessed at **PROPERTY ASSESSMENT VALUE** as of 12/31/2024.

APN ID or Map/Lot _____

Your potential tax is **Potential Tax Due** _____

If the property is owner-occupied, and therefore not subject to the tax, or you believe it qualifies for an exemption under R.I. Gen. Laws § 44-72-5, please answer the 3 questions on the back of this notice:

Case ID:

1. Was the property occupied by the owner for 183 or more days in the privilege year of 07/01/2025 through 06/30/2026?
Yes _____ No _____ If Yes, please list dates of occupancy: _____

You must provide documentation establishing occupancy; if occupancy is verified, then the property is not subject to the Non-Owner Occupied Property Tax.

OR to determine whether the property is exempt from the tax:

2. (a) Was it occupied by a tenant or tenants for 183 or more days in the privilege year of 07/01/2025 through 06/30/2026?
Yes _____ No _____ If Yes, please list the number of days: _____

You must attach a written lease agreement.

(b) Was it occupied by short-term renters for a total of 183 or more days in the privilege year of 07/01/2025 through 06/30/2026?
Yes _____ No _____ If Yes, please list the number of days: _____

You must attach a written lease agreement and / or invoices to support short-term rental for the above period.

3. Was the property sold/purchased/transferred in the privilege year of 07/01/2025 through 6/30/2026?
Yes _____ No _____ If Yes, you must provide the following information:

- Date of Transfer _____
- Seller's Full Name/Address _____
- Buyer's Full Name/Address _____

For questions, contact the Rhode Island Division of Taxation's Excise Tax Section by email at Tax.Property@tax.ri.gov, or by phone at (401) 574-8955 between 8:30 a.m. and 3:30 p.m. on business days.

ATTESTATION

Under the penalties of perjury, I declare and certify that I have answered the above questions accurately, truthfully, and completely, and the documents I am submitting with the executed notice are true and accurate copies of documents supporting the above statements. I certify that I am authorized to complete the above information as the owner, or on behalf of the owner, of the above-referenced property. I acknowledge that I may be subject to civil and criminal penalties imposed by law if my responses and/or the documents submitted are not true and accurate. I further acknowledge and agree that if any representation in my responses and/or the documents is determined to be false, then I shall be assessed the Non-Owner Occupied Property Tax with the appropriate interest and applicable penalties as provided for by law.

Signature: _____ Date: _____

How is the tax calculated?

- Tax will be \$2.50 per \$500 (or fractional part of \$500) of the assessed value over \$1,000,000.
- Tax will be paid in 4 equal installments throughout the tax year.
- **Calculation of Tax:**
 - Formula: $([\text{City/Town Assessed Value} - \$1,000,000] \div \$500) \times \$2.50 = \text{Annual Tax Due}$
 - For Quarterly Tax Due: $\text{Annual Tax Due} \div 4 = \text{Quarterly Tax Due}$
 - Installment due dates are 09/15, 12/15, 03/15, and 06/15

How is the tax calculated?

Examples – Calculation of Rhode Island Non-Owner Occupied Property Tax

Assessed value	Assessed value over \$1M	Tax due at the rate of \$2.50/\$500 in excess of \$1M	Quarterly payment
\$ 1,200,000.00	\$ 200,000.00	\$ 1,000.00	\$ 250.00
\$ 2,000,000.00	\$ 1,000,000.00	\$ 5,000.00	\$ 1,250.00
\$ 3,200,000.00	\$ 2,200,000.00	\$ 11,000.00	\$ 2,750.00

Calculation of tax example

For a property assessed at \$1,500,000 the calculation is

$$\frac{(\$1,500,000 - \$1,000,000)}{\$500} \times \$2.50 = \text{tax owed annually}$$

$$(\$500,000 \div \$500) \times \$2.50 = \$2,500 \text{ tax owed in that tax year}$$

4 quarterly payments of \$625

Sales and Transfers



Who is responsible for the tax?

Sale/Transfer in First Privilege Year

Privilege Year	Sale/Transfer Period	Tax Responsibility	Notes
July 1, 2025 - June 30, 2026	July 1, 2025 - December 29, 2025	Buyer	Owner for 183 days or more.
July 1, 2025 - June 30, 2026	December 30, 2025 - June 30, 2026	Seller	Owner for 183 days or more.

Who is responsible for the tax?

Sale Date: May 2027

Privilege Year	Tax Year	Tax Responsibility	Notes
July 1, 2026 - June 30, 2027	July 1, 2027 - June 30, 2028 (and all prior tax years)	Seller	Certificate of No Tax Due is required.
July 1, 2027 - June 30, 2028	July 1, 2028 - June 30, 2029 (and future tax years)	Buyer	

Who is responsible for the tax?

Sale Date: October 2027

Privilege Year	Tax Year	Tax Responsibility	Notes
July 1, 2026 - June 30, 2027	July 1, 2027 - June 30, 2028 (and all prior tax years)	Seller	The seller should pay tax due in full, before the closing.
July 1, 2027 - June 30, 2028	July 1, 2028 - June 30, 2029 (and future tax years)	Buyer	

FAQs - Transfers

I sold a property in January of 2026 that is assessed at over \$1M. Am I responsible for the Non-Owner Occupied Property Tax for tax year beginning 07/01/2026?

Yes. The seller may be responsible for the tax if the property is subject to the tax and depending on status of any applicable exemptions.

What if I purchase a property in October of 2027 that is assessed at over \$1M. Am I responsible for the Non-Owner Occupied Property Tax for the tax year beginning 07/01/2028?

Yes, the buyer would be responsible for the tax beginning with the tax year of 07/01/28 and moving forward. Any payments due for the tax year prior to 7/1/28 would be required to be made by the seller prior to the closing.

Review

- Privilege Year
 - The year used to determine if a property is subject to the tax.
 - Was the property your primary residence, or
 - Was it rented for 183 days or more?
- Tax Year
 - The year the tax is due/paid.
 - 4 equal installments or paid up front in one lump sum.
- How does this work?
 - Paying in current tax year based on your status of the prior year if:
 - Non-Owner Occupied; and
 - Do not qualify for an exemption.
- Impact of sale or transfer:
 - Timing of sale; and
 - Must consider both the privilege year and the tax year.

Where can I find more information?

- Dedicated Webpage
 - [Non-Owner Occupied Property Tax | RI Division of Taxation](#)
- Advisory Issued
 - [ADV 2026-09 - Guidance Regarding Non-Owner Occupied Property Tax](#)
- FAQ's Issued
 - [Non-Owner Occupied FAQs](#)
- Regulation
 - In process

Payment



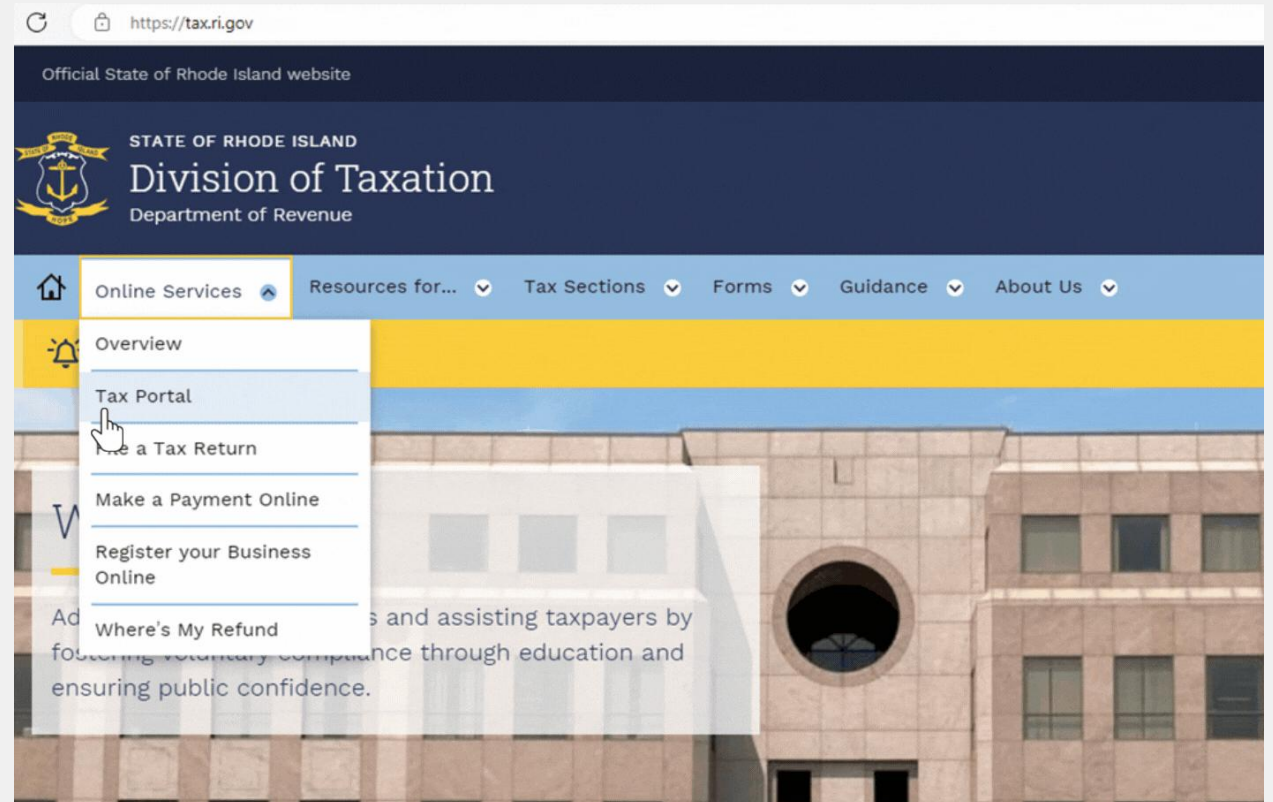
How do I pay?

No form/filing.

Pay online – payment will be made on the RI Tax Portal.

The Tax Portal information page can be accessed from the “Online Services” menu of our website, <https://tax.ri.gov/>.

Or directly www.taxportal.ri.gov.



When can I create my Portal account and pay the tax?

The Tax Portal will be able to accept payment for the Non-Owner Occupied Property Tax beginning in July 2026. Payment cannot be accepted before the start of the tax year beginning July 1.

In July you will be able to set up your new Portal account, or link your existing account to this tax type.

In July, you will also be able to access the “Same Day Services” payment option for this tax – which does not require a Portal account.

More information will be provided in the coming months.

FAQs



FAQs

I have a beach cottage that is only open in the summer and cannot be lived in for 183 days. Am I exempt?

No. The statute ([R.I. Gen Laws § 44-72-5](#)) only allows for 2 specific exemptions:

1. “...any properties or buildings that are rented or were rented for a period of more than one hundred eighty-three (183) days during the prior taxable year and subject to the provisions of chapter 18 of title 34...”
or
2. “...any properties or buildings that are rented or were rented for a period of more than one hundred eighty-three (183) days during the prior taxable year and are subject to tax pursuant to chapter 18 of this title.”

There is no allowance in the law to exempt properties that cannot be lived in year-round.

FAQs

I have filed for an extension for my TY 2025 return. What should I do?

If you have filed for an extension of your RI income tax return, please file your RI-1040R return before June 30, 2026, to confirm residency.

Once your return has been filed, contact our office by email at Tax.Property@tax.ri.gov, to request a review of the account.

If your RI-1040R return is not filed before July 2026, the Non-Owner Occupied Property tax bill will be issued.

FAQs

The address I list on my income taxes (including a P.O. box), is not the address of the property where I live. What should I do?

If you have received a notice regarding your property's Non-Owner Occupied Property Tax liability due to the property address not being the address you use on your income tax return, please contact our office to provide an explanation as to why the addresses are different, and provide documentation to verify the tax does not apply to you.

Please note, you will continue to receive this mailing in the future if the returns continue to list an alternate address (including P.O. boxes), not the property address, as your mailing address. To avoid receiving this letter in the future file a change of address ([RI-COI](#)) form, to update your address records to the property address, and use that address in future filings.

Contact: Tax.Property@tax.ri.gov or 401-574-8955 between 8:30 a.m. and 3:30 p.m. on business days.

FAQs

I file as a nonresident (RI-1040NR) on my personal income taxes, but I live at my property address for 183 or more days each year. What should I do?

Generally, if you reside at the property for 183 days or more each year, then you should be filing a RI-1040R.

Next Steps

- The Division has drafted a Regulation, which will be available for public comment in the coming weeks.
 - There will be a public hearing on the regulation.
 - Please note the hearing will be a hearing on the regulation, not on the statute.
- Notices have been sent out to taxpayers that have been identified as being subject to this tax. Additional communications via postal mail are expected.

Have questions?

Excise & Estate
Tax Section:
Non-Owner
Occupied Property
Tax

- Phone: 401-574-8955
- Email: Tax.Property@tax.ri.gov

Questions





STATE OF RHODE ISLAND

Division of Taxation

Department of Revenue

Thank you

Contact Us

401-574-8955

Tax.Property@tax.ri.gov

One Capitol Hill

Providence, RI 02908

