Rhode Island Department of Revenue

Division of Taxation

Non-Owner Occupied Property Tax

Presentation to:

- Connecticut Attorneys Title Insurance Company
- Moses Ryan Ltd.

August 7, 2026

Agenda

- Key Points
- Explanation of Tax
- Timeline
- Implementation and Communication
- Regulation
- Certificate of No Tax Due Process
- Property Transfer Guidance
- FAQs
- Resources

Non-Owner Occupied Property Key Points

- For detailed information on the Non-Owner Occupied Property Tax please see the Division of Taxation's dedicated Non-Owner Occupied Property Tax webpage.
  - This page contains FAQs, Advisories, the Regulation, and more.
- The Division has developed an email process to facilitate the issuance of a Certificate of No Tax Due.
- The best way to contact the Division regarding this tax is to reach out directly to the Non-Owner Occupied Property Tax team by email (Tax.Property@tax.ri.gov) or by phone between 8:30 a.m. and 3:30 p.m. on business days (401-574-8955).

Non-Owner Occupied Property Tax Explanation

- 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.
- Tax is $2.50 per $500 (or fractional part of $500) of the assessed value over $1,000,000.
  - Tax is to be paid in 4 equal installments throughout the tax year.

Non-Owner Occupied Property Tax Explanation

The tax applies if:

- The property is assessed 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.

Non-Owner Occupied Property Tax Explanation

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 homeowner 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.

Non-Owner Occupied Property Tax Explanation

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

Exemptions from the tax:

- 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.

Non-Owner Occupied Property Tax Introduction

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

Implementation & Communication - Timeline

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 homeowner confirmation/attestation of occupancy (March 2026);**

***Set up informational sessions with Realtors, RI Bar Association, RISCPAs, and others (April, May, June 2026);**

***Issue proposed Regulation (March/April 2026).**

***Final Regulation is effective June 28**

Tax Assessment and Billing

3/2026-Present

*Review responses to initial letter, continue to review data using taxpayer records to confirm occupancy;

*Send additional notices, requests for information;

* Initial bill with 4 quarterly payments with option to pay entire bill was mailed July 16, 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

Implementation & Communication – Timeline

Tax Assessment and Billing

3/2026-Present

*Review responses to initial letter, continue to review data using taxpayer records to confirm occupancy;

*Send additional notices, requests for information;

* Initial bill with 4 quarterly payments with option to pay entire bill was mailed on July 16, 2026 with first payment due September 15, 2026.

Implementation & Communication – Notices

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

Implementation & Communication - Notices

Initial Letter: Starting 03/24/26

Subsequent notices are similarly formatted

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:** ______________________

Implementation & Communication - Notices

Identified parties subject to the tax by matching property assessments over $1M to RI Resident 1040 (personal income tax) tax return filings.

- Difficulty Address Matching:
  - Nuances of property databases & address formats: “West” vs “W,” “North Kingstown” vs “Saunderstown,” or “3rd” vs “Third.”
  - Taxpayer using a P.O. Box, CPA’s address, or business address on their Personal Income Tax return and it does not match the property address.

The Regulation

- Regulation became effective June 28, 2026.
- The Regulation is available on the RI Department of State's website: Non-Owner Occupied Property Tax.
- This Regulation has had a public hearing and a standard public comment period.
- The Regulation provides detailed information, including guidance for residential property transfers.

Property Transfer Guidance – Certificate of No Tax Due

- Certificate of No Tax Due – Starting July 1, 2026 (see Advisory 2026-17):
  - **All sales** of residential property **assessed at over $1M require** that a **Certificate of No Tax Due** be secured from the Division.
  - The Certificate of No Tax Due **must** be requested from the Division at least **10 business days** before the closing.

- A Certificate of No Tax Due will be issued if:
  - The property was owner occupied during the privilege year;
  - Documentation that property was exempt for the privilege year; or
  - The tax has been paid.

Property Transfer Guidance – Certificate of No Tax Due

How do I request a Certificate of No Tax Due?

- The Division has implemented a process for submitting Certificate of No Tax Due requests:

  1. Download and complete the Non-Owner Occupied Property Tax Certificate Request, Form RI-6678.
  2. Include a copy of the Purchase and Sale Agreement with the Form RI-6678.
  3. If you are not the seller of the property being sold, provide a RI POA (Form RI-2848) with your Form RI-6678.
  4. Email the completed Non-Owner Occupied Property Tax Certificate Request, Purchase and Sale Agreement, and RI POA (if applicable) to Tax.Property@tax.ri.gov. Use the subject line: "Certificate of No Tax Due – NOOPT."

- Please note:
  - Requests must be made a minimum of 10 business days prior to the closing date.
  - The Certificate is valid for 30 days from the date of issuance.
  - A properly executed RI POA is required if you are not the seller requesting the Certificate.

Property Transfer Guidance – Certificate of No Tax Due

Form [RI-2848](RI-2848) – POA

- Remember, a **properly completed** POA must be <u>signed</u> by attorneys.
- For other staff, it must be <u>signed</u> **and** <u>notarized</u>.

Include all property owners. If more than 2, please file additional POAs as needed to include all owners.

All persons who will be communicating with the Division of Taxation (such as paralegals) must be named.

This should be broad. For example, “All matters related to the Non-Owner Occupied Property Tax for all years.”

Only check off **EXCLUSIONS** here.

All owners must sign.

State of Rhode Island Division of Taxation
Form RI-2848
Power of Attorney

14103999990101

Taxpayer name			Social security or federal identification number
Address	City, town or post office	State	ZIP code
Taxpayer name			Social security or federal identification number
Address	City, town or post office	State	ZIP code

hereby appoints:

Power of Attorney name			Telephone number
Address	City, town or post office	State	ZIP code
Power of Attorney name			Telephone number
Address	City, town or post office	State	ZIP code

as attorney(s)-in-fact to represent the taxpayer(s) before the office of the State of Rhode Island, Division of Taxation, for the following state matters (specify the type(s) of tax and year(s) or period(s) (date of death if this is for estate tax)):

The attorney (s)-in-fact (or either of them) are authorized, subject to revocation, to receive confidential information and to perform on behalf of the taxpayer (s) the following acts for the above tax matters:

Check off any of the following which are NOT granted.

EXCLUSIONS

- ☐ To receive, but not to endorse and collect, checks in payment of any refund of state taxes, penalties or interest.
- ☐ To execute waivers (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for credit or refund.
- ☐ To execute consents extending the statutory period for assessment or collection of taxes. To execute closing agreements.
- ☐ To represent taxpayer (s) at preliminary reviews and administrative hearings. (Must be an attorney, person authorized by law to practice accountancy, or partner or corporate officer of taxpayer as provided by the Administrative Hearing Procedures.)
- ☐ Other acts (specify) ____________________

Notices and other written communications in proceedings involving the above matters shall be sent to the above named attorney (s) so long as this power of attorney remains in effect.

Copies to be sent to the taxpayer (s).

This power of attorney revokes all earlier powers of attorney and tax information authorizations on file with the Division of Taxation office for the same matters and years or periods covered by this form, except the following (Specify to whom granted, date granted, and address including ZIP code; or refer to attached copies of earlier powers and authorizations):

If signed by corporate officer, partner, or fiduciary on behalf of the taxpayer,
I certify that I have authority to execute this power of attorney on behalf of the taxpayer.

Taxpayer signature	Print name	Title (if applicable)	Date
Taxpayer signature	Print name	Title (if applicable)	Date

Mailing address: RI Division of Taxation, One Capitol Hill, Providence, RI 02908-5806

Revised 02/2021

Property Transfer Guidance – Certificate of No Tax Due

Certificate Process

Download and complete Form RI-6678, Non-Owner Occupied Property Tax Certificate Request

If request is submitted by a representative of the seller, a RI POA (Form RI-2848) must accompany Form RI-6678

Email request form to: tax.property@tax.ri.gov

Subject line: “Certificate of No Tax Due – NOOPT”

Include a copy of the Purchase and Sale Agreement

Payment of Non-Owner Occupied Tax related to requests for Certificates of No Tax Due must be made in person or by postal mail. The tax amount is due in full and must be made by certified check or money order.

State of Rhode Island Division of Taxation

Form RI-6678

Non-Owner Occupied Property Tax Certificate Request

Seller name			Social security number/federal identification number
Property address			Closing Date MM/DD/YYYY
City, town or post office	State	ZIP code	Phone number
Mailing address			E-mail address
City, town or post office	State	ZIP code	

Schedule A - Documents Required

1. Purchase and sales agreement
2. Power of Attorney (if applicable)

Schedule B - Property Owner Questions YES NO

1 Was the property occupied by owner as their primary residence for the privilege year? If No, proceed to question 2.

1a) did you file a Rhode Island Resident Form RI-1040 return?

1b) does the address for the property being sold match the property address on your Form RI-1040? If No, provide a copy of seller's driver's license with this request.

2 If the property is Non-Owner Occupied during the privilege year, was the property rented for 183 days or more and

2a) subject to the provisions of chapter 18 of title 34 (RI Landlord Tenant Act) ; and/or [If yes, provide a copy of the lease agreement.]

2b) subject to tax pursuant to chapter 18 of title 44 (sales and hotel taxes)? [If yes, provide a copy of the lease agreement and/or invoices.] If No, proceed to question 3.

3 Property is Non-Owner Occupied and tax is due.

Information will be verified prior to issuance of the Certificate of No Tax Due. Additional information may be required for verification.

This request form must be emailed to Tax.Property@tax.ri.gov at least ten (10) days prior to closing. Request form must be submitted no more than thirty (30) days prior to the closing date. Incomplete forms will delay the processing of your request.

Please note the seller is responsible to file all state tax returns administered by the Rhode Island Division of Taxation as required by law. All tax, interest, and penalty balances must be paid. Failure to comply may result in accruing interest and collection activity in accordance with Rhode Island law.

Under penalties of perjury, I declare that I have examined this form and accompanying schedules and statements, and to the best of my knowledge and belief, it is true, accurate and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Seller signature	Print name	Date	Telephone number

New 06/2026

Property Transfer Guidance – Certificate of No Tax Due

Payment

- Payment of Non-Owner Occupied Tax related to requests for Certificates of No Tax Due must be made in person or by postal mail.
- The tax amount is due in full and must be made by certified check or money order.
  - Payment by certified check or money order is encouraged.
  - Escrow checks are accepted.
- Payment can be made in person at the Division's office or by postal mail.
- If you plan to mail the check please use the following address:

Audit – Certificate of No Tax Due
Rhode Island Department of Revenue
Division of Taxation
One Capitol Hill
Providence, Rhode Island 02908

Property Transfer Guidance – Certificate of No Tax Due

- When all steps are properly completed and no tax is due, the Division has been able to issue Certificates as quickly as the same day as requested.
- Responses to Certificate requests where tax *is* due are typically made within a few hours.

Property Transfer Guidance – Certificate of No Tax Due

Timeline

Residential property under contract for sale → Seller requests Certificate of No Tax Due → Request made via email - form submitted to: tax.property@tax.ri.gov → 10 Business Days → Closing Date

Property Transfer Guidance – Certificate of No Tax Due

Certificate of No Tax Due stats 7/1/2026 – 8/6/2026:

- 46 Certificates have been issued.
- Division has received 2 requests where the assessed value was below the $1m threshold as of 12/31/2024. These taxpayers have been contacted.
- 34 Requests are pending.
  - 13 requests are complete and waiting for payment.
  - 21 requests are in progress (About half are POA issues).

Property Transfer Guidance - Tax Responsibility

Sale Date: October 2026

Privilege Year	Tax Year	Tax Responsibility	Notes
July 1, 2025 - June 30, 2026	July 1, 2026 - June 30, 2027	Seller	Certificate of No Tax Due is required.
July 1, 2026 - June 30, 2027	July 1, 2027 - June 30, 2028 (and future tax years)	Buyer	

Property Transfer Guidance - Tax Responsibility

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	

Property Transfer Guidance - Tax Responsibility

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	Certificate of No Tax Due is required.
July 1, 2027 - June 30, 2028	July 1, 2028 - June 30, 2029 (and future tax years)	Buyer	

FAQs - Transfers

My client sold a property in January of 2026 that is assessed at over $1M. Are they responsible for the Non-Owner Occupied Property Tax for the 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 my client purchases a property in October of 2027 that is assessed at over $1M.[1] Are they 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.

[1] Statute mandates the $1M threshold is to be indexed for inflation annually. By the Oct. 2027 hypothetical date, the threshold will have been adjusted. $1M is used here to indicate the threshold amount.

Resources

- Dedicated Webpage: Non-Owner Occupied Property Tax Webpage
- Advisories Issued:
  - ADV 2026-09 - Guidance Regarding Non-Owner Occupied Property Tax
  - ADV 2026-16 - Bills Mailed for Non-Owner Occupied Property Tax
  - ADV 2026-17 - Certificate of No Tax Due
- FAQs Issued: Non-Owner Occupied FAQs
- Form RI-6678 Non-Owner Property Certificate Request
- Regulation: Non-Owner Occupied Property Tax Regulation
- For questions, contact: 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

Appendix – Helpful Information for Buyers and Sellers

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.

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 the tax calculated?

- Tax is $2.50 per $500 (or fractional part of $500) of the assessed value over $1,000,000.

- Tax is to be paid in 4 equal installments throughout the tax year.

- **Calculation of Tax:**
  - Formula: ([City/Town Assessed Value - $1,000,000] ÷ $500) x $2.50 = Annual Tax Due
  - For Quarterly Tax Due: Annual Tax Due ÷ 4 = Quarterly Tax Due
    - Installment due dates are 09/15, 12/15, 03/15, and 06/15

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 ÷ $500) x $2.50 = $2,500 tax owed in that tax year

4 quarterly payments of $625

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

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.

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.

Summary

- 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.