

Center City Apartments in East Providence a partnership between Crossroads RI, Family Service RI, Foster Forward, and ONE Neighborhood Builders are partially funded by Housing Production Funds through the RI Conveyance Tax and will create 144 affordable rental homes for low income households.

# RHODE ISLAND'S REAL ESTATE CONVEYANCE TAX

## INVESTING IN HOUSING SOLUTIONS



### What is a Real Estate Conveyance Tax?

A **Real Estate Conveyance Tax** is a fee collected when property is sold or transferred in Rhode Island. It helps fund state and local housing programs, homelessness prevention efforts, and municipal services.

### The tax has two tiers:

1

#### First Tier – All Real Estate Transfers

Applies to **all** property sales, with revenue distributed among the state's general fund, municipalities, and the Housing Resources and Homelessness restricted account.

2

#### Second Tier – High-Value Residential Properties

Applies to the portion of residential property sales **above \$800,000**, with revenue dedicated to the **Housing Production Fund (HPF)** and **Housing Resources and Homelessness restricted account**.



### Why this matters:

Rhode Island faces a severe shortage of affordable homes and rising homelessness. This tax ensures that state revenues generated from real estate transactions contribute directly to solving these challenges by:

- **Investing in the expansion of affordable housing production** through the Housing Production Fund
- **Supporting homelessness prevention, shelter, and rehousing programs**
- **Providing dedicated revenue** for long-term housing solutions
- **Fosters tax fairness** by requiring those who can afford high-value homes to contribute more towards our state's shared housing needs

Conveyance Taxes are a **smart, equitable investment** that helps generate much needed revenue to help Rhode Islanders across income levels have a **safe, stable, and affordable place to call home**.

# RHODE ISLAND'S REAL ESTATE CONVEYANCE TAX

INVESTING IN HOUSING SOLUTIONS

23 Central Street in Central Falls, developed by PCF Development will host 12 affordable rental units for low-income households, also partially funded through the Housing Production Fund.



HOUSING NETWORK  
OF RHODE ISLAND



## What's changing and when?

Beginning **October 1, 2025**, both tiers of the Real Estate Conveyance Tax increased, strengthening Rhode Island's investment in housing.

Tax Tier	Previous Rate	New Rate	As enacted by the 2025 General Assembly, effective Oct. 1, 2025
<b>First Tier</b> – All property sales	<b>0.46%</b>	<b>0.75%</b>	
<b>Second Tier</b> – Residential sales over \$800,000	<b>0.46%</b>	<b>0.75%</b> (Added on top of base rate, for a total of <b>1.5%</b> )	
<b>\$800,000 Threshold</b>	Fixed	Indexed for inflation beginning Jan. 1, 2026	



## Revenue allocation under the enacted law:

- **Base (0.75%)** – distributed under existing law to municipalities, general revenues, and the Housing Resources and Homelessness restricted account.
- **High-Value Add-On (0.75%)** – split between:
  - **0.50%** → Housing Production Fund (HPF)
  - **0.25%** → Housing Resources and Homelessness restricted account



## Fiscal impact:

### Estimated Total Revenue:

- **\$13.5 million** in FY 2026 (Annualizing to **\$18.7 million** in FY 2027)

### Additional Resources Compared to the Governor's Proposal:

- **+\$8.4 million** for general revenues
- **+\$10.7 million** for municipalities (FY 2026)
- **+\$1.5 million** for Housing Resources and Homelessness account
  - **+\$0.3 million** for Housing Production Fund