



Rhode Island Department of Revenue Division of Taxation

NOTICE:

To all Rhode Island Cities & Towns

This Notice is to inform you that legislation enacted in Rhode Island's recently concluded legislative session increases the real estate conveyance tax and updates the distribution of the tax.¹ The change is effective October 1, 2025.

For detailed information on the Real Estate Conveyance Tax, including guidance regarding which properties are subject to the tax, as well as upcoming changes to the tax, please see the Division's Advisory 2025-13, under "Guidance" on the Division's website, <https://tax.ri.gov/guidance/advisories>.

The tax is calculated using two tiers. Tier 1 is the rate that applies to the entire consideration paid for all real estate, or the interest in an acquired real estate company, conveyed for more than \$100. The Tier 1 rate is increasing to \$3.75 for each \$500, or fractional part, of consideration paid for the purchase of the property.

Tier 2 only applies to Residential Real Property with consideration paid over \$800,000 and applies only to the amount over the \$800,000 threshold. Tier 2 is in addition to the Tier 1 tax. The Tier 2 rate is also increasing to \$3.75 per each \$500, or fractional part, of the amount over \$800,000.

Beginning January 1, 2026, and each year thereafter, the \$800,000 the Tier 2 threshold will be adjusted for inflation and the Division of Taxation will communicate any adjustments annually.

Please note, prior to October 1, 2025, the Tier 1 and Tier 2 rates remain at \$2.30 for each \$500, or fractional part.

Rhode Island real estate conveyance tax: on and after October 1, 2025	
Tax rate:	Applies to:
\$3.75 for each \$500.00 of the consideration paid	The entire consideration paid
\$3.75 for each \$500.00 of the consideration paid	The consideration paid for Residential Real Property in excess of \$800,000.00
If the consideration exceeds \$100.00, tax applies to the entire amount.	

Calculation of Tax as of 10/1/2025

- The tax rate is \$3.75 per \$500.00 (or fractional part) of consideration paid
 - Formula: $(\text{Total Consideration Paid} \div \$500) \times \$3.75 = \text{Tax Due}$
- An additional tax of \$3.75 per \$500 applies to the sale of residential real property for which consideration paid is over \$800,000.
 - Residential real property formula: $(\text{Total Consideration Paid} \div \$500) \times \$3.75$ plus $(\text{Consideration Paid over } \$800\text{K} \div \$500) \times \$3.75 = \text{Tax Due}$

For example, on and after October 1, 2025, if the consideration paid for a property is \$800,500, the tax would be calculated as follows:

- Tier 1 rate of \$3.75 per \$500 on the entire \$800,500 = \$6,003.75
- Tier 2 rate of \$3.75 per \$500 applies only to the \$500 over \$800,000 = \$3.75.
- Tier 1 and Tier 2 are added together to determine the total conveyance tax due = \$6,007.50.

Contact Information

For questions about this Notice, contact the Rhode Island Division of Taxation's Excise Tax Section by email at Tax.Excise@tax.ri.gov, by mail: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908, or by phone at (401) 574-8955 between 8:30 a.m. and 3:30 p.m. on business days.

Notice 2025-05
August 21, 2025

¹ House Resolution 5076 Substitute A, as amended, the State Fiscal Year 2026 budget.



Rhode Island Department of Revenue Division of Taxation

ADV 2025-13
Tax Administration

ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS
August 21, 2025

Real Estate Conveyance Tax Increases as of October 1, 2025 *Rates increase from \$2.30 to \$3.75 per each \$500*

PROVIDENCE, R.I. – Legislation enacted in Rhode Island’s recently concluded legislative session, House Resolution 5076 Substitute A, as amended, the State Fiscal Year 2026 budget, increases the real estate conveyance tax and updates the distribution of the tax. The change is effective October 1, 2025.

The real estate conveyance tax is a tax on the purchase of real estate or the interest in an acquired real estate company. Tax applies when the total consideration paid exceeds \$100.

The tax is calculated using two tiers. The first tier (Tier 1) is the rate that applies to the entire consideration paid for every property conveyed. That rate is currently \$2.30 per each \$500, or fractional part thereof. As of October 1, 2025, the Tier 1 rate will increase from \$2.30 to \$3.75. A property for which the total consideration is paid is \$800,000 or under would be subject to only the Tier 1 rate.

In addition to the Tier 1 rate, a second tier (Tier 2) rate applies when Residential Real Property is conveyed for more than \$800,000. Tier 2 applies only to each \$500 (or fractional part thereof) of consideration paid for the purchase of the residential property over \$800,000. The Tier 2 rate is imposed **in addition** to the Tier 1 rate. Like the Tier 1 rate, the Tier 2 rate is currently \$2.30 per each \$500 (or fractional part thereof) and as of October 1, 2025, the Tier 2 rate of \$2.30 will also increase to \$3.75.

Beginning January 1, 2026, and each year thereafter, the \$800,000 threshold for the Tier 2 rate will be adjusted for inflation as announced annually by the Division of Taxation.

Rhode Island real estate conveyance tax: January 1, 2022–September 30, 2025

Tax rate:	Applies to:
\$2.30 for each \$500.00 of the consideration paid	The entire consideration paid
\$2.30 for each \$500.00 of the consideration paid	The consideration paid for Residential Real Property in excess of \$800,000.00

If the consideration paid exceeds \$100.00, tax applies to the entire amount.

Rhode Island real estate conveyance tax: on and after October 1, 2025

Tax rate:	Applies to:
\$3.75 for each \$500.00 of the consideration paid	The entire consideration paid
\$3.75 for each \$500.00 of the consideration paid	The consideration paid for Residential Real Property in excess of \$800,000.00

If the consideration paid exceeds \$100.00, tax applies to the entire amount.

Please see the included tables for additional explanation and examples.

On and after October 1, 2025, the formula for the calculation of the real estate conveyance tax is as follows:

- The tax rate is \$3.75 per \$500.00 (or fractional part) of consideration paid
 - Formula: (Total Consideration Paid ÷ \$500) x \$3.75 = Tax Due
- An additional tax of \$3.75 per \$500 applies to the sale of **residential real property** for which consideration paid is over \$800,000.
 - Residential property formula: (Total Consideration Paid ÷ \$500) x \$3.75 plus (Consideration Paid over \$800K ÷ \$500) x \$3.75 = Tax Due

For example, on and after October 1, 2025, if the consideration paid for a property is \$800,500, the tax would be calculated as follows:

- Tier 1 rate of \$3.75 per \$500 on the entire \$800,500 = \$6,003.75
- Tier 2 rate of \$3.75 per \$500 applies only to the \$500 over \$800,000 = \$3.75.
- Tier 1 and Tier 2 are added together to determine the total conveyance tax due = \$6,007.50.

Examples - Rhode Island real estate conveyance tax: on and after October 1, 2025

Total Consideration Paid	Tax rate Tier 1 \$3.75/\$500 for entire consideration paid	Consideration paid over \$800,000	Tax rate Tier 2 Additional \$3.75/\$500 for consideration paid over	Total Tax Due
\$ 1,000,000.00	\$ 7,500.00	\$ 200,000.00	\$ 1,500.00	\$ 9,000.00
\$ 800,000.00	\$ 6,000.00	\$ -	\$ -	\$ 6,000.00
\$ 5,000,000.00	\$ 37,500.00	\$ 4,200,000.00	\$ 31,500.00	\$ 69,000.00
\$ 195,000.00	\$ 1,462.50	\$ -	\$ -	\$ 1,462.50
\$ 300,000.00	\$ 2,250.00	\$ -	\$ -	\$ 2,250.00
\$ 105,240,000.00	\$ 789,300.00	\$ 104,440,000.00	\$ 783,300.00	\$ 1,572,600.00

The distribution of the real estate conveyance tax will also change for sales on and after 10/01/2025. The distribution will be as follows:

Distribution of the real estate conveyance tax

Fund	On or before September 30, 2025	On and after October 1, 2025
Tier 1:		
Distressed community relief	\$ 0.30	\$ 0.50
Housing Resource and Homelessness	\$ 0.30	\$ 0.50
State Revenue	\$ 0.60	\$ 0.95
City/Town Revenue	\$ 1.10	\$ 1.80
Tier 2:		
Housing Production Fund	\$ 2.30	\$ 2.50
Housing Resource and Homelessness	\$ 0.00	\$ 1.25

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

The Rhode Island Division of Taxation, part of the Rhode Island Department of Revenue, is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <https://tax.ri.gov/about-us/contact-us>.