



Economic Development Tax Incentive Program

Fact Sheet

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Introduction

The Town has implemented a procedure to provide property tax incentives for job creation and building construction and renovations.

- Eligible businesses include office and manufacturing uses. Retail businesses are not eligible for the exemptions.
- The tax exemptions can be applied to real estate property tax, or to personal property tax in the case of a business that is leasing space.
- The exemptions for jobs creation and building construction/renovation can be combined.
- Documentation in support of requested exemptions must be provided to, and approved by the Tax Assessor.

Assessed Valuation Exemption for Job Creation

Tax exemption for job creation is applied as follows, subject to annual documentation requirements:

Number of jobs established in Middletown	Amount of Exemption	Term of Exemption
5 -9	3% of assessed value	3 years
10-14	7% of assessed value	3 years
15 -20	11% of assessed value	4 years
21 -25	15% of assessed value	4 years
26 -30	19% of assessed value	5 years
31 -35	23% of assessed value	5 years
36 -40	27% of assessed value	5 years
41-45	31% of assessed value	5 years
46 -50	35% of assessed value	6 years
51 +	40 % of assessed value	6 years

- An additional 3% exemption is granted over the term of the exemption where at least 10% of the new jobs are held by Middletown residents.
- An additional 3% exemption is granted where at least 10% of new jobs pay an annual salary >\$35,000.

Assessed Valuation Exemption for New Construction & Additions/renovation of existing Construction

Any new construction, or renovation/expansion of an existing facility where there is an increase of >50% in floor area or an increase in assessment of >50% is eligible for property tax exemption as follows:

- Year 1 - 100% of any increase in assessed value attributable to new construction, expansion, retrofit or renovation
 - Year 2 - 80% of any increase in assessed value attributable to new construction, expansion, retrofit or renovation
 - Year 3 - 60% of any increase in assessed value attributable to new construction, expansion, retrofit or renovation
 - Year 4 - 40% of any increase in assessed value attributable to new construction, expansion, retrofit or renovation
 - Year 5 - 20% of any increase in assessed value attributable to new construction, expansion, retrofit or renovation
 - Year 6 - 0% of any increase in assessed value attributable to new construction, expansion, retrofit or renovation
- An additional exemption of 3% over the term of the exemption period is granted where the project results in the expansion or renovation of an existing facility, rather than new construction.

Combined Assessed Valuation Exemptions

If a project qualifies for both the job creation exemption and the construction exemption the exemptions can be combined by first applying the construction exemption to the new or expanded facility, and then applying the jobs exemption to the resulting assessment.