

Testimony in support of H7127 updating and expanding Property Tax Relief Raising Income Cap

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I thank Representative Ruggiero and the co-sponsors for recognizing that updating and expanding the state Property Tax Relief Law is one way to bring a bit of relief to the crushing housing cost burden faced by many lower income older Rhode Islanders and persons with disabilities.

I Chair the Aging in Community Subcommittee of the LTCCC and this bill is one of its priorities for our Economic Security agenda for older adults. It is also supported by the Senior Agenda Coalition of Rhode Island, an organization working to make the voices of seniors heard and to improve their quality of life.

Affordable and accessible housing options are essential for folks to live safely at home where the vast majority want to stay. We know rising housing costs contribute to the financial burden for lower income seniors and persons with fixed incomes on Social Security. The Covid-19 pandemic coupled with rampant inflation for many basic goods has increased their financial burden.

One-third of older homeowners are cost-burdened, paying 30% or more on housing costs as are half of older renters. RI's high property taxes contribute to housing cost burden.

The state Property Tax Relief law was enacted in 1977 with an upper income of \$25,000 to bring relief to low-income older adults and persons with disabilities who rent or own their home. The income cap was raised to \$30,000 in 1999. The law provides a state tax credit (or refund), for older homeowners with incomes up to this level. For 2021, the credit is capped at \$415. For renters, refunds are calculated based on 20% of rent paid in cash up to the credit cap.

H7127 raises the income cap to \$50,000; increases the maximum credit to \$850 and provides for inflation adjustments. Under existing law, an older homeowner with income of \$34,000 and a property tax bill of \$4,000 is not eligible. These changes would provide them with a \$850 credit or refund and make the law more in line with Massachusetts (caps credit at \$1,170) and other New England states. In fact, Gov. Baker has proposed doubling the MA credit cap to \$2340

I urge you to recommend passage of the bill. I know you are considering millions of dollars to build, renovate and preserve affordable housing and I applaud this as it is desperately needed. However, these efforts will take time. Passing this bill will provide more immediate and welcome fiscal relief. Thank you.