



**TOWN OF COVENTRY**  
**1670 Flat River Road**  
**Coventry, RI 02816**

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**Discussion on Chapter 217 – Taxation (tax freeze and exemptions)**

The Town Council requested that the Tax Assessor, Ms. Kerrin Martini, RICA, and Finance Director, Robert Civetti, CPA, review the Ordinance and provide recommendations to the Council related to the tax freeze and exemptions.

**General Overview:**

1. Currently taxpayers may seek relief from taxation in the Town of Coventry as follows:
  - a. Tax freeze available on property that is owner occupied by taxpayers who are totally disabled or over the age of 65. Taxpayer must have been owner and resident of the property for the previous five years.
  - b. When a taxpayer initially signs up and qualifies for a tax freeze, the first year follow their eligibility they receive an \$8,000 assessment credit which currently amounts to \$128.68. (i.e. qualify for tax freeze effective 12/31/2024, on the 2025 tax roll (fiscal 2026) they received a credit of \$128.68 and then effective with the 2026 tax roll their taxes will be frozen at the 2025 tax roll rate and the 12/31/2024 assessed value (currently \$16.085).
  - c. The current discount offered to Veterans is an \$9,000 assessment exemption. For fiscal 2026 (2025 tax roll) this is \$144.77. Note on the 2022 tax roll this exemption was worth \$176.14.
  - d. The Town also offers tax relief to taxpayers qualifying under the gross income threshold.
2. The Ordinance currently requires that the taxpayer files an annual declaration affidavit in order to remain on the freeze.
3. Ordinance requires residents on the tax freeze to reside at the property in the Town of Coventry for at least 9 months out of the year.
4. As of 12/31/2024 the Town has 2,926 residence that are on the tax freeze.
  - a. 193 have been frozen since 2000
  - b. 173 were frozen at fy 2023 roll rate; 234 at fy 2024 roll rate; 319 at fy 2025 roll rate; and 331 at the fy 2026 roll rate.
5. Currently those on the tax freeze for the 2025 tax roll resulted in a loss of tax revenue for the Town in the amount of approximately \$2,945,000.

6. Based on the 2025 tax roll, if we were to remove the tax freeze the residential tax rate would have been approximately \$15.45 vs the current tax rate of \$16.085. Accordingly, the 2025 tax bill to a property owner with a home valued at \$500,000 is approximately \$318 higher due to the current tax freeze program.

**Alternative Plan for Consideration:**

1. **Grandfather in** all taxpayers that completed the paperwork and were deemed eligible for the freeze effective 12/31/2024.
2. Provide veterans with a tax exemption rather than an assessment exemption. Consideration of an exemption amount of approximately \$400. This is an increase of \$255 for qualified taxpayers. Currently it is estimated that there are 630 veteran exemptions in Town. Total cost of implementing this is approximately \$160,000.
3. Effective 1/1/2025 provide a Senior tax credit for residents age 65 or older and who have owned and lived in their residence for the preceding 5 years as their primary residence. The Town Council may want to consider tax credits commencing:
  - a. \$500 for fiscal 2027 (2026 tax roll, assessment date 12/31/2025)
  - b. Increase the credit to \$600 for fiscal 2029
  - c. Increase to \$800 for fiscal 2031 and thereafter.
4. Disabled taxpayers would receive the same credit as those on the Senior Exemption as long as they meet the same requirements with the exception of age.
5. An eligible taxpayer could receive both a Senior exemption and a Veterans exemption OR a Disability exemption and a Veterans exemption.
6. It should be noted that the adoption of this or a similar plan to eliminate the tax freeze on a prospective basis is to help maintain the Town's tax base in the long run. The adoption of this plan or a similar plan will probably cost the Town in the short term but help stabilize the tax base in the long term. Based on the aging population of the State of Rhode Island, and the country in general, the increasing tax burden will continue to fall on those taxpayers under the age of 65 which are getting to be fewer and fewer.

**Town of Coventry, Rhode Island**  
**Proforma Analysis of Implementation**  
**of Tax Credit vs Tax Freeze**

Residential Real Estate Assessed Value	\$ 500,000.00
Qualified for Freeze 12/31/2024	
Tax rate FY 2026 2025 tax Roll	\$ 16.085
Assume a 2% tax rate annually	
2026 roll FY 27	\$ 16.407
2027 roll FY 28	\$ 16.735
2028 roll FY 29	\$ 17.070
2029 roll FY 30	\$ 17.411
2030 roll FY31	\$ 17.759
2031 roll FY32	\$ 18.114

	<b>Taxes on Tax Freeze</b>	<b>Tax at Projected Rates</b>	<b>Tax loss resulting from freeze</b>
Fiscal 2026	\$ 7,913.82	\$ 8,042.50	\$ (128.68)
Fiscal 2027	\$ 7,913.82	\$ 8,203.35	\$ (289.53)
Fiscal 2028	\$ 7,913.82	\$ 8,367.42	\$ (453.60)
Fiscal 2029	\$ 7,913.82	\$ 8,534.77	\$ (620.95)
Fiscal 2030	\$ 7,913.82	\$ 8,705.46	\$ (791.64)
Fiscal 2031	\$ 7,913.82	\$ 8,879.57	\$ (965.75)
Fiscal 2032	\$ 7,913.82	\$ 9,057.16	\$ (1,143.34)

	<b>Taxes on Tax Freeze</b>	<b>Tax if using exemption Proposal</b>	<b>Savings (Cost) to taxpayer</b>
Fiscal 2026	\$ 7,913.82	\$ 7,542.50	\$ 371.32
Fiscal 2027	\$ 7,913.82	\$ 7,703.35	\$ 210.47
Fiscal 2028	\$ 7,913.82	\$ 7,867.42	\$ 46.40
Fiscal 2029	\$ 7,913.82	\$ 7,934.77	\$ (20.95)
Fiscal 2030	\$ 7,913.82	\$ 8,105.46	\$ (191.64)
Fiscal 2031	\$ 7,913.82	\$ 8,079.57	\$ (165.75)
Fiscal 2032	\$ 7,913.82	\$ 8,257.16	\$ (343.34)

Estimated implementation cost to the Town if assume 331 participants and they qualify as of 12/31/2025 and FY 27 tax rate is \$16.407

FY 27	\$ 122,055.06
FY 28	\$ 67,749.08
FY 29	\$ 45,456.23
FY 30	\$ (11,042.16)
FY 31	\$ (2,472.57)
FY 32	\$ (61,254.86)