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Rhode Island House approves accelerated phase out of car taxes for East Providence residents

EAST PROVIDENCE, RI – The Rhode Island House passed legislation to enable the City of East Providence to accelerate East Providence’s motor vehicle tax phase out by one year.

East Providence has a different fiscal year than the State of Rhode Island and because of this, the City’s car tax phase out began a year later than all other Rhode Island’s 38 cities and towns.

While all other municipalities were preparing to enter the 2023 local fiscal year phase out schedule, East Providence was entering the 2022 local fiscal year phase out schedule.*

The original proposal in this year’s state budget would have kept East Providence on the Local Fiscal Year 2022 schedule and would have eliminated the local fiscal year 2023 next year.

“Working with Gov. Dan McKee’s Office and our state delegation at the General Assembly we were able to accelerate past our 2022 schedule to the 2023 phase out schedule,” Mayor Bob DaSilva said. “This helped us eliminate approximately 3,300 more vehicles off the tax roll and it cut the average motor vehicle tax bill by about 40 percent to 50 percent.”

With being able to accelerate ahead to the fiscal year 2023 phase out of the motor vehicle tax parameters, a car valued at \$10,000 will now have a tax bill of \$20, as opposed to the original plan which would have resulted in a tax bill of \$75.

Next year, the motor vehicle car tax will be completely phased out for East Providence. The budget amendment allowing us to move from the 2022 schedule to the 2023 schedule passed the House on Thursday, June 16 and will go before the Senate for a vote next week.

Thank you to House Majority Whip Katherine Kazarian, Rep. Gregg Amore, Rep. Brianna Henries, Sen. Valerie Lawson, and Sen. Cynthia Coyne for their assistance on this legislation

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Local Fiscal Year	Percentage of NADA Value Allowed†	Minimum Total Motor Vehicle Exemption Amount*	Maximum MV Tax Rate**
2018	95%	\$1,000	\$60.00
2019	90%	\$2,000	\$50.00
2020	85%	\$3,000	\$35.00
2021	80%	\$4,000	\$35.00
2022	75%	\$5,000	\$30.00
2023	70%	\$6,000	\$20.00