HOW THE 4% TAX LEVY CAP WORKS

Your property taxes are based on your share of the total property tax "bucket."

More value in the tax base — and more income from other sources — means less pressure on your property tax bill.

1 THE COMMUNITY TAX BASE

All taxable property adds up to the City's property tax bucket.

- Single Family Homes $86,000,000
- Multi-Family Properties $45,000,000
- Commercial Properties $60,000,000
- Industrial Properties $17,000,000
- Vacant Land & Other Taxable $10,400,000

TOTAL = $218,400,000

2 YOUR SHARE CAN CHANGE

Your property's assessed value can go up, down, or stay the same.

INCREASED ASSESSMENT	NO CHANGE	DECREASED ASSESSMENT
Your share may go up.	Your share stays the same.	Your share may go down.

Changes in assessments across the city shift how the tax bucket is divided—not the size of the bucket.

3 THE CITY SETS A BUDGET

Every year, the City's costs go up. Our major contractual obligations are set through 2031.

FY2026 BUDGET (ADOPTED)
$218,400,000

Major Cost Drivers

Contracts & Labor Agreements	$110,000,000
Pensions & OPEB	$49,000,000
Debt Service	$22,500,000
Insurance, Utilities, Other Costs	$36,900,000

These costs increase every year due to contracts, benefits, debt, and inflation.

4 RAISE MONEY OR CUT SERVICES

When costs go up, the City has two choices:

RAISE REVENUE — Maintain services and meet obligations.

OR

CUT SERVICES — Reduce services, programs, and staffing.

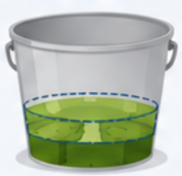
The City must balance the budget every year.

5 THE CITY CAN ASK FOR UP TO 4%

Property tax revenue can increase by no more than 4% without a state-approved exception.

FY2026 PROPERTY TAX REVENUE
$218,400,000

MAX ALLOWABLE INCREASE (4%)
$8,736,000



MAX PROPERTY TAX REVENUE ALLOWED IN FY2027:
$227,136,000

6 ASSESSMENTS FUND THE GAP

The City does not raise everyone's assessment. Only properties that have increased in value help generate the additional revenue.

EXAMPLES OF VALUE CHANGE

HOW THE ADDITIONAL $8,736,000 IS RAISED

New value added to the tax base → Generates up to $8,736,000 → Closes the gap created by rising contractual costs

This additional revenue helps pay for the cost increases built into our contracts, pensions, debt, and other obligations.

7 OTHER INCOME STREAMS REDUCE THE PRESSURE

The more the City earns from other sources, the less we need to collect from property taxes.

Growing these revenue sources helps keep our property tax increases lower.

Examples of current efforts:

- ✓ Solar projects
- ✓ Speed camera program
- ✓ Expanded parking revenue
- ✓ Grant funding for infrastructure
- ✓ Economic development partnerships

Sources: Rhode Island General Laws Section 44-5-2; East Providence FY2026 Adopted Budget; Rhode Island Division of Municipal Finance.

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Prepared as a resident education handout for White4Ward1. Figures rounded for readability where shown.