

Chapter 74

TAXATION*

* **Charter References:** Minimum tax levy, § 5-9; division of assessment and city assessor, § 6-8; board of assessment review, § 8-18.

Cross References: Tax classification plan, § 2-16; board of assessment review, § 6-51 et seq.

State Law References: Taxation, G.L. 1956, title 44.

Article I. In General

Sec. 74-1. Payment of taxes prior to issuance of business license.

Sec. 74-2. Deferral of sewer assessments.

Sec. 74-3. Waiver of interest on overdue tax payments.

Secs. 74-4--74-30. Reserved.

Article II. Exemption From Property Tax

Sec. 74-31. Exemption for persons age 65 and older--Authorized.

Sec. 74-32. Same--Application to real and personal property; limit on exemptions granted to multiple owners.

Sec. 74-33. Income-producing and business property ineligible for exemption.

Sec. 74-34. Professional offices in homes and personal property used in business ineligible for exemption.

Sec. 74-35. Real property containing not more than two residences deemed nonincome-producing property.

Sec. 74-36. Late applications.

Sec. 74-37. Applications to be sworn; proof of qualification.

Sec. 74-38. Filing of application.

Sec. 74-39. Exemptions to continue until terminated.

Sec. 74-40. Date of termination.

Sec. 74-41. Circuit breaker tax credit.

Sec. 74-42. Veterans' exemptions.

Sec. 74-43. Gold Star exemption.

Sec. 74-44. Blind exemption.

Sec. 74-45. Deferral of taxes in hardship cases.

Sec. 74-46. Exemption for vehicles of persons with disabilities.

Sec. 74-47. Method of calculating value of exemptions; application.

Sec. 74-48. Real estate owned by disabled persons.

Sec. 74-49. Wholesalers' stock in trade or inventory in foreign trade zone.

Sec. 74-50. Persons age 70 and older.

Sec. 74-51. Open space land owned by the Mill Cove Conservancy.

Secs. 74-52--74-70. Reserved.

Article III. Deferral of Real Estate Tax Payments for Aged

Sec. 74-71. Application; conditions for granting.

Sec. 74-72. Taxes due upon transfer of title; exception; priority of city's lien.

Sec. 74-73. Enforcement and collection of tax lien.

Secs. 74-74--74-100. Reserved.

Article IV. Dwelling Houses of Clergy

Sec. 74-101. Exemption from taxation.

Secs. 74-102--74-120. Reserved.

Article V. Transient Lodgings Tax

Secs. 74-121--74-145. Reserved.

Article VI. Wholesale and Retail Inventory

Sec. 74-146. Wholesale and retail inventory tax phase out pursuant to G.L. § 44-3-29.1.

ARTICLE I.
IN GENERAL

Sec. 74-1. Payment of taxes prior to issuance of business license.

(a) Prior to the issuance, renewal or transfer of any license or permit required for the conduct of any business activity on any property in the city, the board of public safety shall require, and the applicant shall submit to the board of public safety, proof satisfactory to the board that all state and local taxes arising out of the licensed establishment have been paid.

(b) Upon affirmative recommendation of the city tax collector and after hearing before the board of public safety, this requirement may be waived by the board of public safety, if, and only if, the board finds enforcement of the requirement would impose extreme hardship substantially different in kind, and said enforcement would not be in the public interest. Among other factors, the board of public safety shall consider the previous license history and previous tax payment history of said applicant.
(Code 1971, § 21-2)

Sec. 74-2. Deferral of sewer assessments.

When authorized by the city finance director, the city sewer authority may provide temporary sewer assessment relief for all persons that would qualify for a tax credit under P.L. 1997, chapter 28, as amended, and subject to the conditions and definitions of that chapter. Such relief may include complete or partial deferral of the assessment until such time as the assessed property is partially or fully owned by any person that would not qualify for a tax credit under P.L. 1977, chapter 28.

Once any property subject to a sewer assessment is sold or otherwise transferred by an owner benefiting from a deferral of that assessment, all deferred assessments shall be payable by one or both of the parties to the transaction, together with all interest that has accrued on the assessment during the period of deferral.

The interest shall be limited to the amount which would have been due and payable on the installment due date, if the deferral had not been requested and approved, and payment had been made on time. Interest shall not be compounded and shall not be computed at the rate established for nonpayment of city taxes as said deferred payments are hereby deemed not to be overdue. Upon termination of the deferral period, payments due shall not exceed the amount which would have been due and payable if no deferral had been requested and authorized.

(Ord. No. O-98-3, § I, 2-9-98)

Editors Note: Section I of Ord. No. O-98-3, adopted February 9, 1998, amended Ch. 74 by adding § 74-146. For purposes of classification, such new provisions were included herein as § 74-2 at the discretion of the editor.

Sec. 74-3. Waiver of interest on overdue tax payments

(a) The tax collector is hereby authorized to waive the interest for one quarter's payment and to reinstate quarterly tax payments on a resident's overdue tax payment if all of the following conditions are satisfied by the taxpayer:

- (1) The property subject to the overdue payment is the residence of the taxpayer and has been for at least five consecutive years; and
- (2) The request for a waiver of interest is in writing signed and dated by the taxpayer; and
- (3) The taxpayer has made timely payments of taxes to the city for the five years immediately preceding the tax payment which is overdue. The burden of proof of timely payments shall be upon the taxpayer.
- (4) The bill for which the payment is overdue was issued less than two years prior to the date of the request for a waiver of interest.

(b) In no event shall the waiver of interest on a tax bill exceed \$500.00. Decisions of the tax collector shall be in writing and contain a notice of the city council claim procedure. If the taxpayer receives an adverse decision from the tax collector, then within ten days of the decision of the tax collector, the taxpayer may file a claim for reimbursement of the interest with the city council.
(Ord. No. O-01-6, § I, 4-24-01)

Secs. 74-4--74-30. Reserved.

ARTICLE II.

EXEMPTION FROM PROPERTY TAX*

* **Cross References:** Buildings and building regulations, ch. 8.
State Law References: Authority to establish tax exemption, G.L 1956, § 44-3-13.

Sec. 74-31. Exemption for persons age 65 and older--Authorized.

The city assessor is hereby authorized to grant an exemption from taxation of property located with the city, which exemption shall be in an amount not exceeding \$6,000.00 of valuation of the real property owned and occupied or of the personal property owned by taxpayers who are domiciliaries of the city 65 years of age or older in accordance with the provisions of this article. The criteria of domiciliary, in addition to normal criteria, shall be evidence of voter registration, the address listed on tax returns, a driver's license and such other matters as the finance director may determine. Any person or persons who are recipients of this exemption in any other town, city, county, parish or state shall not be entitled to exemption in the city.
(Code 1971, § 21-16)

Sec. 74-32. Same--Application to real and personal property; limit on exemptions granted to multiple owners.

An exemption, when granted pursuant to section 74-31, may be applied to either the real property or the personal property owned by the taxpayer but may not be apportioned between real and personal property; provided, further, that only one such exemption may be granted to real property owned by joint tenants, tenants by the entireties, or tenants in common, or personal property owned by joint tenants or tenants in common.
(Code 1971, § 21-17)

Sec. 74-33. Income-producing and business property ineligible for exemption.

No income-producing residential property, business property or combination of residential and business property and no personal property used by the taxpayer in the conduct of business shall be entitled to the exemption provided in this article. It is the purpose of this article to limit said exemption to nonincome-producing residential real property and nonbusiness-use personal property.
(Code 1971, § 21-18)

Sec. 74-34. Professional offices in homes and personal property used in business ineligible for exemption.

Professional persons and business people who by law are permitted to operate and conduct their respective professions or businesses from their residences shall not be entitled to the exemption provided for by this article, nor shall such persons be entitled to such exemption on their personal property used in the conduct of their respective professions or businesses. The residences of such persons shall be determined, for the purpose of this article, to be income-producing property.
(Code 1971, § 21-19)

Sec. 74-35. Real property containing not more than two residences deemed nonincome-producing property.

Real property containing not more than two residential units shall be determined, for the purpose of this article, to be nonincome-producing real property.
(Code 1971, § 21-20)

Sec. 74-36. Late applications.

Beginning with the tax year as of December 31, 1986, and continuing for each succeeding tax year, taxpayers who are eligible for exemptions pursuant to this article, or as otherwise provided or authorized pursuant to G.L. 1956, § 44-3-1 et seq. as of the tax assessment date, for which they have not timely applied by the deadline set forth in this Code or in the Rhode Island General Laws, may request an abatement of assessment for the tax year of the request, but said taxpayers may not apply for previous tax years for which they may have been eligible. Any request made pursuant to this section must be made prior to December 15 of the year of the request.
(Code 1971, § 21-21)

Sec. 74-37. Applications to be sworn; proof of qualification.

Applications must be sworn to by the applicant under penalty of perjury. Proof of age, ownership, occupancy, residence and voter registration shall be furnished in the following manner:

- (1) *Proof of age.* Age may be proven by furnishing to the assessor either a birth certificate, certificate of citizenship, baptismal certificate, or affidavit of a third party, or by such other means as may be approved by the assessor.
- (2) *Ownership.* Ownership may be established by furnishing the assessor with a recorded deed or

other land evidence record with regard to real property and with a bill of sale, registration certificate or other suitable evidence of ownership which is acceptable to the assessor with regard to personal property.

- (3) *Occupancy.* Occupancy of the residential property may be proven by incorporating such fact in the sworn application for exemption.
- (4) *Residence.* Residence may be established by voter registration, a license to operate a motor vehicle, a registration certificate for a motor vehicle, or other suitable evidence acceptable to the assessor.
- (5) *Voter registration.* Voter registration shall be established by the record of the board of canvassers.
- (6) *Other forms of proof.* An applicant may provide proof of right to exemption if the above-specified methods are not available to him or her by furnishing military records, passports, or a certificate of citizenship, or by such other evidence or proofs as may be required by the assessor.

(Code 1971, § 21-22)

Sec. 74-38. Filing of application.

Applications for exemption shall be filed hereunder at the times and in the manner as set forth in sections 74-36 and 74-41. Such exemption shall take effect and be applied to the taxes assessed as of December 31 of the year preceding the date of filing. The first exemptions granted under this article shall apply to taxes assessed as of December 31, 1976.

(Code 1971, § 21-23)

Sec. 74-39. Exemptions to continue until terminated.

Exemptions, once granted, shall continue in effect, without further application, until terminated as provided in this article.

(Code 1971, § 21-24)

Sec. 74-40. Date of termination.

(a) Except as hereinafter provided in provided in subsection (b) of this section, all exemptions under this article shall terminate upon the occurrence of any of the following events:

- (1) Conveyance of the subject real property or sale of the subject personal property.
- (2) The exempted person moving his/her primary residence from the city.
- (3) An alteration of the character or use of the exempt property such that it becomes subject to the provisions of section 74-33, 74-34 or 74-35.

(b) Effective with taxes assessed as of December 31, 1985, all exemptions under this article shall terminate on December 31 of the year of the death of the exempt person.
(Code 1971, § 21-25)

Sec. 74-41. Circuit breaker tax credit.

(a) Application for elderly tax credit pursuant to P.L. 1977, chapter 28 ("circuit breaker"), as amended by P.L. 95-270, must be made to the city assessor no later than October 15, 1977, on forms to be supplied by that office.

(b) Beginning January 1, 1978, and thereafter, applications for tax credit shall be filed with the city assessor no later than March 15 of each year.

(c) Effective for the first full tax year after passage, the circuit breaker tax credit range allowed for under this section shall be \$600.00 to \$1,000.00.

(Code 1971, § 21-26; Ord. No. O-96-24, § I, 8-13-96; Ord. No. O-08-6, § I, 2-21-08)

Sec. 74-42. Veterans' exemptions.

(a) The property of each person who serves in the military or naval services, as defined in G.L. 1956, § 44-3-4, or the unmarried widow or widower of such person, is hereby granted an exemption from taxation of property located within the city, which exemption shall be in an amount not exceeding \$2,000.00 of assessed valuation of the real property owned and occupied in accordance with the provisions of this article. Said exemption shall be in addition to any and all other exemptions from taxation to which such person may be entitled by any other provisions of law.

(b) In addition to the exemption provided in subsection (a) of this section and in addition to any and all other exemptions from taxation to which such person may be entitled by any other provision of law, any veteran who is determined to be totally disabled, as defined in G.L. 1956, § 44-3-4, is hereby granted an exemption from taxation of property located within the city, which exemption shall be in an amount not exceeding \$10,000.00 of assessed valuation of the real property owned and occupied in accordance with the provisions of this article.

(c) In addition to the exemption provided in subsection (a) of this section, and in addition to any and all other exemptions from taxation to which such persons may be entitled by any other provision of law, any veteran and the unmarried widow or widower of a deceased veteran of the military or naval service, who shall be determined under applicable law by the Veterans' Administration to be totally disabled through service-connected disability and who by reason of such disability has received assistance in acquiring specially adapted housing under laws provided by the Veterans' Administration, is hereby granted an exemption from taxation of property located within the city, which exemption shall be \$20,000.00 of the assessed valuation of the real property owned and occupied in accordance with the provisions of this article and subject to the restrictions of G.L. 1956, § 44-3-4.

(d) In addition to the exemptions provided heretofore, and in addition to any and all other exemptions from taxation to which such persons may be entitled by any other provision of law, there is hereby granted an exemption from taxation of property located within the city, which exemption shall be \$15,000.00 of

the assessed valuation of the real property owned and occupied by any veteran of military or naval service of the United States of America or of the unmarried widow or widower of such veteran of military or naval service of the United States of America, who has been or shall be classified as such, or determined to be, a prisoner of war by the Veterans' Administration of the United States.
(Code 1971, § 21-27; Ord. No. O-94-30, § I, 12-12-94)

Sec. 74-43. Gold Star exemption.

The city assessor is hereby authorized to grant an exemption from taxation of property located within the city, which exemption shall be in an amount not exceeding \$6,000.00 of the valuation of the real property owned and occupied in accordance with the provisions of this article to Gold Star Parents, as defined G.L. 1956, § 44-3-5. Said exemption shall be in addition to any and all other exemptions from taxation to which such persons may be entitled by any other provisions of law.
(Code 1971, § 21-28)

Sec. 74-44. Blind exemption.

The city assessor is hereby authorized to grant an exemption from taxation of property located within the city, which exemption shall be in an amount not exceeding \$18,000.00 of the valuation of the real property owned and occupied in accordance with the provisions of this article to any blind person, as defined and subject to the conditions of G.L. 1956, § 44-3-12. Said exemption shall be in addition to any and all other exemptions from taxation to which such persons may be entitled by any other provision of law.
(Code 1971, § 21-29; Ord. No. O-93-29, § I, 11-8-93)

Sec. 74-45. Deferral of taxes in hardship cases.

The city under certain circumstances makes provisions for hardship tax relief, wherein, if hardship is proven, the tax assessor authorizes tax deferrals to occur. Upon the sale of the premises by the owners who received the hardship tax relief by way of deferrals, all deferred taxes shall be payable with interest as determined by the city finance director to be due and payable on sale or transfer of title to the subject property.
(Code 1971, § 21-30)

Sec. 74-46. Exemption for vehicles of persons with disabilities.

The city exempts from taxation 50 percent of the value of any motor vehicle that has been specifically adapted with a wheelchair lift for use by an individual with a disability that is owned or registered by any person who has sustained the disability.
(Code 1971, § 21-30.1)

Cross References: Persons with disabilities, ch. 50; traffic, ch. 76.

Sec. 74-47. Method of calculating value of exemptions; application.

Notwithstanding any other provision of this article which may be to the contrary, the amount by which the exemptions contained within this article shall reduce taxes owned by a taxpayer shall be determined by multiplying the exemption amount by the rate established for the excise tax on motor vehicles. Taxpayers may elect to apply said amount to either real estate, tangible, or motor vehicle taxes; provided, however, that it may not be apportioned over the various classes of property taxes.

(Ord. No. O-97-12, § I, 6-9-97)

Sec. 74-48. Real estate owned by disabled persons.

(a) The rate and valuation of taxes on the real and personal property of any head of a household who is 100-percent disabled and unable to work, as determined by the Social Security Administration or the Veterans Administration, shall not increase from the rate and valuation established as of the effective date of this section or the date of disability of such person, whichever is the later date.

(b) The freeze of rate and valuation on real property shall only apply to single-family dwellings in which the disabled person resides.

(c) The exemption shall not be allowed unless the person entitled thereto shall have presented to the tax assessor, on or before the last day on which sworn statements may be filed with the assessor for the year for which the foregoing exemption is claimed, due evidence that he or she is so entitled, which evidence shall stand so long as his or her legal residence remains unchanged. The foregoing exemption shall be in addition to any other exemption provided by law.

(Ord. No. O-98-19, § I, 6-8-98)

Editors Note: Ordinance No. O-98-19, § I, adopted June 8, 1998, amended Ch. 74 by providing for § 74-47. Inasmuch as § 74-47 already existed in the Code, such provisions were included herein as § 74-48 at the editor's discretion.

Sec. 74-49. Wholesalers' stock in trade or inventory in foreign trade zone.

(a) The stock in trade or inventory of wholesalers located in a foreign trade zone shall be exempt from the tangible tax for a period of 25 years; provided, however, this exemption shall not be available to any wholesaler which [who] relocates to the city from any other city or town within the state.

(b) This exemption and any wholesaler qualifying for the exemption are subject to the definitions, terms and conditions of G.L. 1956, § 44-3-29, as amended.

(Ord. No. O-98-21, § I, 6-8-98)

Editors Note: Ordinance No. O-98-21, § I, adopted June 8, 1998, amended Ch. 74 by providing for § 74-47. Inasmuch as § 74-47 already existed in the Code, such provisions were included herein as § 74-49 at the editor's discretion.

Sec. 74-50. Persons age 70 and older.

(a) The tax rate and valuation of real property owned by persons who are 70 years of age or older and who reside in owner-occupied, single-family homes where the income from all sources does not exceed \$7,500.00 for a single person and does not exceed \$15,000.00 for married couples shall not increase while such persons own the property.

(b) Persons seeking such relief shall make application for same to the tax assessor no later than March 15 of each year.

(Ord. No. O-98-39, § I, 10-19-98)

Editors Note: Ordinance No. O-98-39, § I, adopted October 19, 1998, amended Ch. 74 by providing for § 74-47. Inasmuch as § 74-47 already existed in the Code, such provisions were included herein as § 74-50 at the editor's discretion.

Sec. 74-51. Open space land owned by the Mill Cove Conservancy.

The real property described as Assessor's Plat 334, Lots 243 and 244, as said lots appeared in the records of the tax assessor as of December 31, 2006, held and used by the Mill Cove Conservancy, Inc., a not-for-profit corporation organized under the laws of the State of Rhode Island, and exclusively used for the purpose of conserving open space as that term is defined in G.L. § 45-36-1 et seq., shall be exempt from taxation by the city; provided, however, that before any such property is sold or otherwise disposed of, the transaction shall first be submitted to the city council for its approval upon such terms and conditions as the city council deems advisable.

(Ord. No. O-08-4, § I, 1-15-08)

Secs. 74-52--74-70. Reserved.

ARTICLE III.

DEFERRAL OF REAL ESTATE TAX PAYMENTS FOR AGED

Sec. 74-71. Application; conditions for granting.

Citizens of the city age 65 years or older, or, in the case of a husband and wife, if either is age 65 years or older with the property held jointly in both names, who are otherwise eligible and who own and reside in dwellings on real estate, excluding mobile homes and house trailers, which are not income-producing properties, if the combined annual income from all sources of the husband and wife is \$12,000.00 or less, or in the case of a single person if his or her gross income from all sources is \$12,000.00 or less, may apply annually for one deferment per unit for deferral of the real estate taxes owing to the city assessed for each year, and such deferral, subject to approval of the finance director, will be granted under the following conditions:

- (1) The applicant must have been a resident of the city and must have occupied the subject property for five years prior to his/her application.
- (2) No tax deferral will be granted on an application for a real property unit assessed by the tax assessor at \$70,000.00 or more.
- (3) The current assessment of the tax assessor of the city will be used as a basis for determining the eligibility and the equity of the applicant, and no other real estate evaluation will be used.
- (4) The applicant must have reached his/her 65th birthday or, in the case of husband and wife, one of them, on or before the assessment date of the tax for which application of deferral is made, and must apply during the month of December prior to the assessment day for each year in which a tax deferral is applied for.
- (5) Deferrals will be considered only on applications for single-family real estate dwellings which are not income producing, and which are occupied by the applicant as a permanent residence.
- (6) The applicant may choose to defer either 50 percent or 100 percent of the annual tax at his/her option.

- (7) The deferred tax shall become a lien upon the property, and the applicant may remove the lien at any time by paying the amount due in full plus interest. The lien shall be recorded by the city clerk and shall continue until discharged by full payment of all deferred taxes and all interest thereon.
- (8) Interest on deferred taxes shall accrue at the rate established pertaining to delinquent tax accounts.
- (9) Deferments of taxes will be granted if the application shall be approved, only up to the amount of the equity owned by the applicant in the specific unit applied for.
- (10) A sufficient amount of fire insurance obtained by the applicant shall be required by the director of finance for the protection of the city's lien. The city shall be named in said policy of insurance as a lienor, and a certificate of the policy shall be filed with the director of finance.
- (11) The applicant must reapply annually for each year's deferment on the unit in which he/she resides, and a token payment of \$1.00 shall be paid with the application form and applied to the applicant's annual tax. He/she must submit information with his/her annual application of his/her prior year's gross income as well as his/her wife's/husband's gross income from all sources, as shall be required by the director of finance.
- (12) No corporation or partnership or other form of business titleholder shall be eligible for a tax deferment, nor any holder of a life estate or remainder interest. Title ownership eligibility shall be limited to owners in fee simple, joint tenants, tenants in common and tenants by the entirety. In the case of joint tenants or tenants in common other than husband and wife, all such tenants must be 65 years of age or older and joint in the application and the restriction of gross income being \$12,000.00 or less as for husband and wife shall apply to such groups of tenants.

(Code 1971, § 21-31)

Sec. 74-72. Taxes due upon transfer of title; exception; priority of city's lien.

(a) Upon any change in the manner of holding title to the property, any transfer or mortgaging of the premises which are the subject of deferred taxes, other than the taking in fee simple of a husband or wife through survivorship of a joint tenancy or tenancy by the entireties, the entire amount of deferred taxes with accrued interest thereon at the prescribed rate must be paid to the finance director and the city's lien shall be discharged upon such full payment plus interest.

(b) The city's lien shall take priority to and shall be the subject of demand for immediate payment in full of all taxes deferred plus interest thereon, in the event of any form of insolvency proceeding being filed with, by or against the applicant or applicants, petitioning the court to creditors arrangement, bankruptcy, partnership, receivership, or any other form of insolvency proceeding, immediately upon the filing of said petition.

(c) Upon the death of an owner in fee simple applicant, or in the case of a husband and wife, upon the death of the surviving husband or wife, the accrued deferments shall be payable in full plus the prescribed interest before this lien shall be discharged, and said lien shall rank as a priority claim against the assets and the

estate of the applicant or survivor, and as a priority lien against the real estate for which said deferred taxes were granted.
(Code 1971, § 21-32)

Sec. 74-73. Enforcement and collection of tax lien.

All taxes for which deferral is granted as provided herein shall, together with interest as provided herein, be and remain a lien upon the real estate against which assessed, and said lien shall be enforceable and collectible in the same manner as real estate taxes generally.
(Code 1971, § 21-33)

Secs. 74-74--74-100. Reserved.

ARTICLE IV.

DWELLING HOUSES OF CLERGY*

* **Cross References:** Buildings and building regulations, ch. 8.

Sec. 74-101. Exemption from taxation.

Dwelling houses and the land on which they stand, not exceeding one acre in size, owned by or held in trust for any religious organization and actually used by its officiating clergy, shall be exempt from taxation to an amount not exceeding \$400,000.00 for each house and land owned and used.
(Code 1971, § 21-34; Ord. No. O-04-26, § I, 12-14-04)

State Law References: Exemption authorized, G.L. 1956, § 44-3-3(6).

Secs. 74-102--74-120. Reserved.

ARTICLE V.

TRANSIENT LODGINGS TAX*

* **Editors Note:** The provisions regarding transient lodgings tax are found in G.L. 1956, § 42-63.1-8.
Cross References: Buildings and building regulations, ch. 8; roominghouses, tourist homes and cabins, ch. 62.

Secs. 74-121--74-145. Reserved.

ARTICLE VI.

WHOLESALE AND RETAIL INVENTORY

Sec. 74-146. Wholesale and retail inventory tax phase out pursuant to G.L. § 44-3-29.1.

(a) Beginning July 1, 1999, over a ten-year period, the stock in trade or inventory tax of wholesalers

and retailers conducting operations within the City of Warwick shall be phased out. The phase out rate schedule to be implemented is set forth in subsection (d) below.

(b) The terms "inventory," as it refers to wholesalers, "stock in trade", as it refers to wholesalers, and "wholesaler" shall have the same meaning as defined in G.L. § 44-3-29.

(c) The terms "inventory," as it refers to retailers, "stock in trade," as it refers to retailers, and "retailer" shall have the same meaning as defined in G.L. § 44-3-40.

(d) The rate schedule for the ten-year phase out of the wholesale and retail inventory tax shall be as follows:

Year	Maximum Tax Rate per \$1,000.00 of Inventory
FY 1999	\$31.83
FY 2000	28.65
FY 2001	25.46
FY 2002	22.28
FY 2003	19.10
FY 2004	15.92
FY 2005	12.73
FY 2006	9.55
FY 2007	6.37
FY 2008	3.18
FY 2009	No tax authorized

(e) In the event that a wholesaler sold inventory or stock in trade both at wholesale and at retail in the preceding calendar year, the tax assessor shall assess on the same basis as a retailer's inventory or stock in trade as of December 31 of that year, to the extent permitted by applicable law, notwithstanding any freeze of assessed valuation or exemption permitted pursuant to G.L. § 44-5-12(c), that proportion of inventory or stock in trade of the wholesaler which shall be equal to the percentage of the wholesaler's total sales during the preceding calendar year that were at retail. For the purposes of this paragraph, sales at retail shall not include sales to employees of the wholesaler or to employees of its affiliates. If retail sales are less than one percent of total sales during the year, it shall be deemed that no sales were made at retail during the year. All sales of a wholesaler to a customer which is an affiliated entity shall be deemed to be retail sales for the purposes of this subsection if more than half of the dollar volume of the sales of the affiliated entity is made within the municipality.

(f) For purposes of this section, a wholesaler shall be considered affiliated with customers if it controls, or is under common control with the customers.

(g) In the event that a wholesaler or retailer subject to the inventory tax commences operations in the City of Warwick after fiscal year 1999, the tax assessor shall determine what would have been the value of the inventory as of December 1998, adjusting the inventory value to fiscal year 1999 using the changes in the consumer price index all urban consumers (CPI-U) published by the bureau of labor statistics of the United States Department of Labor. The director of the department of administration shall publish annually an adjustment schedule.

(Ord. No. O-99-4, 3-8-99)