**TAX - RHODE ISLAND**

## Providence Place Group Limited, Partnership v. State by and through Division of Taxation

**Supreme Court of Rhode Island - January 25, 2022 - A.3d - 2022 WL 211287**

Taxpayers, which held ground lease to shopping mall that was Rhode Island Economic Development Corporation project, brought action for judicial review of decision of Department of Revenue, which denied taxpayers' request for refund with respect to conveyance tax paid by taxpayers in order to expediently transfer first taxpayer's interest in mall to second taxpayer.

Taxpayers moved for summary judgment. The Sixth Division District Court granted motion.

Department petitioned for writ of certiorari and petition was granted.

The Supreme Court held that:

- General Assembly's intent that mall would continue to exist as tax-exempt Corporation project post-construction was readily apparent from findings and declarations the General Assembly made within statute authorizing public investment in development of mall;
- Mall was Corporation project, and thus taxpayers were not subject to conveyance tax; and
- Statute broadly exempting from taxation any real or personal property that qualified as Corporation project did not violate nondelegation doctrine of Rhode Island Constitution.

General Assembly's intent that shopping mall would continue to exist as tax-exempt Rhode Island Economic Development Corporation project post-construction was readily apparent from findings and declarations the General Assembly made within statute authorizing public investment in development of mall and associated parking garage; based on clear and unambiguous language of statute, more than one phase of project was contemplated and, once mall became operational, it was still considered project of Corporation.

Shopping mall was Rhode Island Economic Development Corporation project, and thus holder of ground lease for mall was not subject to conveyance tax when it transferred its interest in ground lease; statute broadly exempted from taxation any real or personal property that qualified as Corporation project, statute clearly and unambiguously attached tax exemption to property, and not to Corporation or specific lessee, and thus tax exemption afforded to Corporation, including exemption from conveyance tax, was afforded to mall.

Statute broadly exempting from taxation any real or personal property that qualified as Rhode Island Economic Development Corporation project did not violate nondelegation doctrine of Rhode Island Constitution, where standards accompanying delegation were clear.

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