



February 6, 2024

The Honorable Joseph Solomon, Jr.
Chairman, House Corporations Committee
Rhode Island State House
Providence, RI 02903

RE: H.7280, An Act Relating to Corporations, Associations, and Partnerships – Rhode Island Business Corporation Act

Chairman Solomon and Committee Members:

The undersigned members of the Rhode Island Business Coalition oppose the passage of H.7280, An Act Relating to Corporations, Associations, and Partnerships – Rhode Island Business Corporation Act.

Under current law, the Articles of Incorporation of a corporation can be revoked by the Secretary of State if the corporation fails to pay taxes to the State of Rhode Island. The Division of Taxation is charged with notifying the Secretary of the delinquency.

H.7280 expands the authority by allowing the revocation to occur if a corporation or a limited liability company (LLC) fails to pay “any fees” to the Division of Taxation as well. The bill also gives the Secretary of State the ability to proactively ask the Division of Taxation if a corporation or LLC is compliant or non-compliant and can move forward based on the answer.

As we read this bill, the addition of the words “any fees” seems to suggest, in the broadest interpretation, “any fees” owed to the State of Rhode Island. This could mean license fees, audit fees, minimum corporate tax, application fees, or other industry specific fees levied by the State. A corporation or LLC could find its charter revoked for failing to pay a fifty-dollar fee. Once that charter is revoked, it may be re-instated upon payment of monies owed and payment of an additional penalty for each year or part of a year that the charter was elapsed. H.7280 casts a very wide net with a very heavy hammer.

For these reasons, we oppose this bill as written.

Sincerely,

Associated Builders and Contractors, Rhode Island Chapter

East Greenwich Chamber of Commerce

National Federation of Independent Business

North Kingstown Chamber of Commerce

Rhode Island Beverage Association

Rhode Island Builders Association

Rhode Island Business Group on Health

Rhode Island Manufacturers Association

Rhode Island Marine Trades Association

Rhode Island Partnership for Home Care

Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Society of Certified Public Accountants

Sustainable Benefits Strategies, LLC

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.