

Via Electronic Mail

April 23, 2024

The Honorable Representative Joseph J. Solomon, Jr. Chair, House Committee on Corporations Rhode Island State House Providence, RI 02903

RE: Letter of Support Regarding House Bill 8055 – An Act Relating to Corporations, Associations, and Partnerships – Rhode Island Business Corporation Act

Dear Chair Solomon:

I am writing on behalf of the Rhode Island Department of Revenue, Division of Taxation ("Division"), to: i) express support for proposed House Bill 8055; ii) explain the background and current statutory context for this bill; and iii) request your support for this bill. The purpose of House Bill 8055 is to add statutory language allowing the sharing of certain information between the Division and the Secretary of State's Office.

As you know, this bill would amend certain statutes to authorize the Division to share tax information with the Secretary of State's Office in response to a request from that office regarding an entity's tax status as compliant or noncompliant. Specifically, the proposed amendments would allow the Division to share with that office whether a domestic or foreign corporation, limited partnership, limited liability partnership, or limited liability company has "failed to pay any fees or taxes due to this state." The Secretary of State's Office may then use that information in commencing the revocation of those corporate entities' articles of incorporation. The bill proposes to add language to R.I. Gen. Laws §§ 7-12.1-915, 7-13.1-214, 7-16-67.1, and 44-11-26.1 and add two new sections (§§ 7-1.2-1805 and 7-16-77).

The Division supports House Bill 8055 as its passage aligns with the Division's goal of implementing communications between the Secretary of State and the Division consistent with the intent of the current statutory scheme. These amendments would effectuate changes passed in 2017. House Bill 8055 represents a compromise resolution related to provisions that we have stricken from the Division's omnibus bill, House Bill 7280 (on which we are submitting a Sub A to strike those provisions).

For the reasons above, and to aid in tax compliance and administration, the Division supports House Bill 8055 and believes it will provide a net benefit for the State and taxpayers, while not having a negative fiscal impact on the State.

I look forward to working with you and appreciate your consideration.

Very truly yours,

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Neena S. Savage Tax Administrator

 cc: The Honorable Members of the House Committee on Corporations (via: <u>HouseCorporations@rilegislature.gov</u>) The Honorable Brandon T. Voas (via: <u>rep-voas@rilegislature.gov</u>) Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House Lynne Urbani, Director of House Policy Secretary of State Gregg M. Amore (via: <u>gamore@sos.ri.gov</u>) Michelle Arias Santabay, Director of Intergovernmental Affairs, Department of State (via: <u>marias@sos.ri.gov</u>) Thomas A. Verdi, Director, Department of Revenue