

## Lou Mansolillo

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**From:** Aaron Easter Gardner <aegardner@sos.ri.gov>  
**Sent:** Thursday, June 3, 2021 2:17 PM  
**To:** House Corporations Committee  
**Cc:** Lou Mansolillo  
**Subject:** Small business closure tax relief (Testimony from Heather Wall)

Good afternoon,

Please see the testimony below from Heather Wall. She asked that we submit this to the committee on her behalf.



**Aaron M. Easter Gardner, JD**

*Director of Legislative & Community Affairs*

RI Department of State | Secretary of State Nellie M. Gorbea

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**From:** heather wall <hwall1465@gmail.com>  
**Sent:** Thursday, June 3, 2021 1:48 PM  
**To:** Aaron Easter Gardner <aegardner@sos.ri.gov>  
**Subject:** [EXTERNAL]: Small business closure tax relief

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Greetings Mr. Gardner;

Thank you for your call today. Please accept this letter of my experience as a small business closed due to Covid-19 and my frustration at owing taxes and fees to RI despite my lack of any business revenue.

My business, KidZone LLC, a indoor play and party center for children aged 1-7, opened in 2012 employing seven part-time employees. Due to Covid-19 restrictions we closed on 3/15/2020. We had hoped that closure would be temporary, continuing to be hopeful through the fall that a vaccine was on the horizon and we'd re-opening before the end of the year. The PPP loan I received only covered 2 months of non-payroll expenses because it is based on the average monthly payroll and my business is seasonal (70% of the business occurs in cold weather months) plus as the owner, I am the primary employee so my 50 hours per week are not reflected on payroll records.

By January it was obvious I could not maintain the expense of paying the lease for any longer. I informed my accountant that I was permanently closing and needed to file the appropriate paperwork. He informed me that despite having a net loss of \$14,500 for 2020, I would have to pay the minimum RI state tax of \$500 for that year AND \$500 for 2021 because I had yet to file the Articles of Dissolution. Not only would I have to pay taxes on my business in 2021 despite never opening the doors, I would also have to pay the fee for filing an annual report for 2021 as well.

I'm certain many businesses were not sure they would fail before Jan.1, 2021 because the President himself kept touting a vaccination was coming in the fall. To penalize us by requiring taxes on \$0 or less revenue in 2020 and 2021 is painful

and hard to justify. I would argue that we should also be absolved from having to pay fees for the Annual Report and Articles of Dissolution for 2021 as well if we had been closed since the beginning of the pandemic.

I, like many other small businesses, have personal guarantees on our business leases or equipment loans. It has personally cost me thousands of dollars to keep trying to hold on to my business once our account ran dry from loss of revenue.

It is my hope that our representatives can understand the situation and provide this small but helpful reprieve from another added expense we cannot afford.

I appreciate your efforts on the behalf of former small business owners and thank you for your time regarding this matter.

Heather Wall

Owner @ KidZone Indoor Playground- [www.KidZoneRI.com](http://www.KidZoneRI.com)

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