

DIOR Rhode Island Department of Revenue
Division of Taxation

Via Electronic Mail

June 10, 2024

The Honorable Marvin L. Abney
Chair, House Committee on Finance
Rhode Island State House
Providence, RI 02903

RE: Letter of Support Regarding House Bill 7331 – An Act Relating to Taxation – Sales and Use Taxes – Liability and Computation

Dear Chair Abney:

I am writing on behalf of the Rhode Island Department of Revenue, Division of Taxation (“Division”), to: i) express support for proposed House Bill 7331; ii) explain the background and current statutory context for this bill; and iii) request your support for this bill.

As you know, this bill amends R.I. Gen. Laws § 44-18-30B, entitled “Exemption from sales tax for sales by writers, composers, artists – Findings,” to add subsection (i), which creates a four (4)-year expiration period for a certificate of exemption from sales tax for writers, composers, and artists. The bill provides that all such certificates previously issued shall expire four years from the effective date of the bill. Under current law, a certificate of exemption pursuant to R.I. Gen. Laws § 44-18-30B does not expire. The bill is set to take effect upon passage.

There is an application process for a sales tax exemption for sales by writers, composers, and artists as set forth in R.I. Gen. Laws § 44-18-30B. A qualified writer, composer, or artist will receive an exemption certificate after review by both the Rhode Island State Council on the Arts and the Division to confirm the applicant meets the statutory requirements. There is no cost for applying for a certificate of exemption for artistic works. The sales tax exemption certificate does not expire, and there is no ability for the tax administrator to revoke the certificate if the taxpayer no longer qualifies for the exemption.

The proposed bill would align the sales tax exemption for writers, composers, and artists with the sales tax exemption for farmers found in R.I. Gen. Laws § 44-18-30(32). Both sales tax exemption certificates for charitable organizations and farmers, as set forth in Rhode Island General Laws Chapter 44-18, have four (4)-year expiration dates such that those exempt would need to renew the certificate and establish that they remain qualified under the law. An expiration date for the sales tax exemption certificate for writers, composers, and artists would not only align with the other exemptions with respect to expiration, but also allow for a review to confirm qualifications and greater compliance with statutory requirements.

This bill will result in the equitable treatment of writers, composers, and artists within those groups and protect small independent artists as intended by the statute.

For the reasons above, and to aid in tax compliance and administration, the Division supports House Bill 7331 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,



Neena S. Savage
Tax Administrator

cc: The Honorable Members of the House Committee on Finance (via: HouseFinance@rilegislature.gov)
The Honorable Brian Patrick Kennedy (via: rep-kennedy@rilegislature.gov)
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House
Lynne Urbani, Director of House Policy
Thomas A. Verdi, Director, Department of Revenue