

*Via Electronic Mail*

April 9, 2025

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

**RE: Letter Regarding House Bill 6001 – An Act Relating to State Affairs and Government – Tourism and Development**

Dear Chair Abney:

I am writing on behalf of the Rhode Island Department of Revenue, Division of Taxation (“Division”), to: i) express concerns regarding issues with proposed House Bill 6001 as currently drafted; ii) explain the background and current statutory context in order to clarify the intended and unintended consequences of this bill; and iii) make recommendations and request your support in implementing those recommendations.

This letter is not intended as a position in support of or opposition to the bill, but only as recommendations on drafting to provide clarity in the bill and to aid tax administration and compliance.

As you know, this bill would amend several provisions of R.I. Gen. Laws § 42-63.1-3 (“Distribution of tax”) to remove the five percent (5%) of the hotel tax distributed to the Greater Providence-Warwick Convention and Visitors Bureau and reallocating it to the Rhode Island commerce corporation (in addition to the tax distributions it already receives). The bill is set to take effect upon passage.

There are several potential issues with the bill that impact tax administration, including, but not limited to:

- As currently drafted, the bill is unclear as to whether the historical hotel tax distributions are maintained and it may result in the unintended consequence that a greater than one hundred percent (100%) distribution is made to the Rhode Island Commerce corporation.
- Proposed § 42-63.1-3(g)(6) provides for a 5% distribution from hotel taxes generated in the “Aquidneck Island district statewide tourism district,” which would appear to be a drafting error.

The Division takes no position with respect to the remainder of the proposed legislation. Rather, the Division is concerned solely with the issues of clarity, tax compliance, and tax administration.

As such, the Division respectfully suggests that the bill be redrafted for clarity.

I look forward to working with you to address the issues raised in this letter and appreciate your consideration.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Msavage", written in a cursive style.

Neena S. Savage  
Tax Administrator

cc: The Honorable Members of the House Committee on Finance  
(via: [HouseFinance@rilegislature.gov](mailto:HouseFinance@rilegislature.gov))  
The Honorable Carol Hagan McEntee (via: [rep-mcentee@rilegislature.gov](mailto:rep-mcentee@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