



# Rhode Island Department of Revenue

## Division of Taxation

*Via Electronic Mail*

May 6, 2025

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

**RE: Letter Regarding House Bill 5531 – An Act Relating to Taxation – Rhode Island  
New Qualified Jobs Incentive Act 2015**

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 5531 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 R.I. Gen. Laws § 44-48.3-12, entitled “Discontinuance of further rate reductions and future beneficiaries under the jobs development act [JDA],” by adding a provision to § 44-48.3-12(a) that discontinues no later than July 1, 2025, the use of the rate reductions provided in Chapter 42-64.5 of the general laws, entitled “Jobs Development Act” by companies that qualified for such rate reductions prior to July 1, 2015. Additionally, the bill would amend Chapter 42-64.5 to add a new section, R.I. Gen. Laws § 42-64.5-9, entitled “Sunset,” which imposes a sunset date on the JDA of June 30, 2025. The bill is set to become effective upon passage, but not implemented until July 1, 2025.

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

- The Division recommends that the bill be redrafted to mirror the proposed language in R.I. Gen Laws § 44-48.3-12(a) with the JDA statute, R.I. Gen. Laws 42-64.5-1 *et seq.*, to remove any ambiguity regarding the JDA program in the JDA statute.
- The Division also suggests that the bill be redrafted to address § 44-48.3-12(b) to avoid confusion and reinforce that no credits shall be authorized to be reserved after the sunset for the entire section, not just Subsection (a).
- In addition, the bill’s effective date is upon passage. The Division respectfully suggests that the discontinuance of the tax benefit under the JDA be tied to a future tax year to allow

recipients of the JDA tax benefit to plan accordingly for its elimination. This will avoid confusion for taxpayers, tax preparers, and tax software providers and ensure proper application of the proposed amendments. Specifically, the bill's language should be redrafted to include the phrase "for tax years beginning on or after January 1, 2026" after the July 1, 2025, date.

- The Division further respectfully suggests that the allowance of the JDA tax benefit be ended effective July 1, 2025, rather than June 30, 2025.

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,



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 Jennifer A. Stewart ([rep-stewart@rilegislature.gov](mailto:rep-stewart@rilegislature.gov))  
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House  
Lynne Urbani, Director of House Policy  
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