



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 5755 – An Act Relating to Taxation – Estate and Transfer Taxes – Enforcement and Collection

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 5755 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 § 44-23-1, entitled “Statements filed by executors, administrators, and heirs-at-law. [Effective January 1, 2025.],” and § 44-23-2, entitled “Statements filed by trustees.” Per the Explanation by the Legislative Council, the bill would “generate an estate tax discharge upon the filing and recording, with the decedent’s municipality, a statement of the executor, trustee or any other estate representative, that the value of the decedent’s gross estate does not require a state or federal tax filing.” 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:

- Most significantly, the term “persons in possession of real property” is not defined, is overly broad, and does not provide a connection to the executor, administrator, or heir-at-law, or the estate itself. Therefore, this could create conflict between those undefined persons and the other parties, to the detriment of the estate, the parties, and the State of Rhode Island. Therefore, the Division respectfully suggests that the term be defined to provide clarity.
- The bill does not provide a notice requirement to either the estate or the municipality to alert the Division that a statement has been filed and recorded. Therefore, there is no way for the Division to know that the estate has filed and recorded a statement that the value of the gross estate does not require a state or federal tax filing. Yet, per the bill’s language, the Division must issue a discharge of the estate tax lien upon that recording. The Division

respectfully asks that the bill be redrafted to include a notice requirement.

- As drafted, the bill would allow any executor, administrator, or heir-at-law, or any other person “in possession of real property,” to file and record a statement that triggers the requirement for the Division to discharge the automatic estate tax lien without any verification or audit mechanism to confirm the accuracy of the statement. This negates the purpose and provision of the estate tax lien and could lead to fraud and potential for conflict with no recourse and no protections for the estate or the State of Rhode Island.
- As currently drafted, the bill takes effect upon passage. The Division respectfully requests that the effective date be January 1, 2026, and apply to estates for decedents whose death occurs on or after January 1, 2026, to avoid potential confusion for taxpayers. Tax legislation which takes effect during the 2025 calendar year – particularly the first part of the calendar year – might lead taxpayers and others to conclude that the proposed amendment in House Bill 5755 applies during the current year. That would lead to errors in filing and processing, which could, in turn, lead to substantial tax consequences, underpayment penalties and interest, as well as the need for preparing and filing amended returns. The Division believes that aligning the effective date as set forth above would make it clear to taxpayers, tax preparers, and tax software providers that the proposed amendment would not apply to estates with decedents whose dates of death occur in 2025. Setting the effective date at a future point would also provide taxpayers, tax preparers, tax software providers, and the Division sufficient time to plan ahead.

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)
The Honorable Michael W. Chippendale (via: rep-chippendale@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