



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 6009– An Act Relating to Taxation -- Personal Income Tax

Dear Chair Abney:

I am writing on behalf of the Rhode Island Department of Revenue, Division of Taxation ("Division"), to: a) express concerns regarding issues with proposed House Bill 6009 as currently drafted; b) explain the background and current statutory context in order to clarify the intended and unintended consequences of this bill; and, c) 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, the bill would amend R.I. Gen. Laws § 44-30-2.6 ("Rhode Island taxable income - Rate of tax") to allow a manufacturers investment tax credit for Tax Year 2026 and thereafter pursuant to R.I. Gen. Laws § 44-31-1(b) for personal income tax of eligible Sub-S corporation shareholders and limited liability company members meeting certain criteria. The bill's effective date is upon passage.

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

- The bill, as currently drafted, would allow a "below the line" credit that could result in duplicative deductions/credits and likely is not intended.
- The bill indicates that these investment tax credits are "issued pursuant to § 44-31-1(b);" however, tax credits are claimed and allowed, not issued.
- The effective date for the bill is upon passage. However, the Division would respectfully request that the language be changed so that the effective date is tied to a tax year (i.e., effective for tax years beginning on or after January 1, 2026).

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.

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 Stephen M. Casey (via: rep-casey@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