

DOR Rhode Island Department of Revenue Division of Taxation

Via Electronic Mail

May 13, 2025

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

RE: Letter Regarding House Bill 5758 – 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: i) express concerns regarding issues with proposed House Bill 5758 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, the bill would amend R.I. Gen. Laws § 44-30-12 (“Rhode Island income of a resident individual. [Effective January 1, 2025.]”) to allow for a modification for all taxable social security income includible in federal adjusted gross income (AGI) for tax years beginning on or after January 1, 2026. 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 placement of the amendment in R.I. Gen. Laws § 44-30-12(c)(8)(vi) negates the application of the thresholds and age limitations as set forth in R.I. Gen. Laws § 44-30-12(c)(8)(i), which may not be as intended.
- The effective date is upon passage, however the modification applies to specific tax years. The Division respectfully suggests 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).

Please also note, as there are multiple proposed bills pending that address modifications set forth in R.I. Gen. Laws § 44-30-12, any bills that pass would need to be reviewed in context to ensure consistency and administrability in relation to all passed amendments. 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.

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 Charlene M. Lima (via: rep-lima@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