



Rhode Island Department of Revenue

Division of Taxation

Via Electronic Mail

May 21, 2025

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

RE: Letter Regarding House Bill 5145 – An Act Relating to Motor and Other Vehicles – Definitions and General Code Provisions

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 5145 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 § 31-1-3(d), entitled “Types of vehicles,” to add trucks with a gross vehicle weight of eight thousand pounds (8,000 lbs.) or less to the definition for “[a]utomobile.” The bill would also amend the definition for “[t]ruck” in R.I. Gen. Laws § 31-1-4(e), entitled “Trucks and tractors,” to include the qualification that “any truck with a gross vehicle weight of eight thousand pounds (8,000 lbs.) or less may be registered as an automobile and issued passenger plates.” The bill is set to take effect upon passage.

The bill’s effective date is upon passage, which is problematic for several reasons, including, but not limited to:

- The bill may be construed to result in a sales tax exemption for any truck with “a gross vehicle weight of eight thousand pounds (8,000 lbs.) or less” under R.I. Gen. Laws § 44-18-30(23) (“Trade in value of motor vehicles”), which may or may not be the intent of the bill. As drafted, the proposed language would include “trucks that have a gross vehicle weight of eight thousand pounds (8,000 lbs.) or less[]” in the definition of “[a]utomobile” and allows those vehicles to have passenger vehicle plates which could be construed to exempt the trade-in value of the trucks from sales tax.

If the policy intent is to specifically exempt “any truck with a gross vehicle weight of eight thousand pounds (8,000 lbs.) or less” from the sales tax, then it is recommended that R.I. Gen. Laws § 44-18-30(23) be amended to specifically provide for that exemption.

- As Rhode Island is a signatory to the Streamlined Sales and Use Tax Agreement (SSUTA), it must ensure compliance with the SSUTA in relation to such an exemption and so recommends that the effective date be at least ninety (90) days subsequent to passage of the bill.
- The Division would need specificity with respect to when qualified trucks would be able to obtain passenger registration license plates. For example, the bill could apply to trucks purchased on or after a date certain or trucks registered on or after a date certain. As currently drafted, the bill lacks clarity in that respect.
- The Division would need time to communicate the change and provide outreach to automobile dealers and to work with the Division of Motor Vehicles to implement these changes.

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 John G. Edwards (via: rep-edwards@rilegislature.gov)
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House
Lynne Urbani, Director of House Policy
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