



# Rhode Island Department of Revenue

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## 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 6290 – An Act Relating to Taxation – Wealth 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 6290 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 Title 44 of the Rhode Island General Laws (“Taxation”) to add a new Chapter 44-72, entitled “Wealth Tax,” creating a new tax on Rhode Island individuals and entities at a rate of one percent (1%) of worldwide wealth. 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:

- As currently written, the bill specifies that the new wealth tax would be administered by the Department of Revenue, which would cause administrability issues. The Division would respectfully request that the bill be redrafted to substitute the Division of Taxation for the Department of Revenue as the Division would be administering the new tax.
- The Division has not had an opportunity to review any potential constitutionality issues and/or other unintended consequence related to the enactment of this tax as it relates to Rhode Island’s existing tax structure, which includes the Estate Tax, Personal Income Tax, and Business Corporation Tax. Therefore, a thorough review and study of the purpose and scope of the proposed bill is needed to determine if there are other unintended consequences.
- The Division would require additional resources in order to administer the new tax, including additional full-time employees and programming costs.

- 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).

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](mailto:HouseFinance@rilegislature.gov))  
The Honorable Brandon C. Potter (via: [rep-potter@rilegislature.gov](mailto:rep-potter@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