

**DR** Rhode Island Department of Revenue  
Division of Taxation

*Via Electronic Mail*

April 14, 2026

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

**RE: Letter Regarding House Bill 7698 – An Act Relating to Taxation – Tax Credit for Food Donation**

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 7698 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, entitled “Taxation,” by adding a new chapter, Chapter 44-33.7, entitled “Tax Credit for Food Donation,” to provide for tax credits for qualified taxpayers that donate “apparently wholesome food” as defined in the bill. Per the Explanation by the Legislative Council, the intent of the bill is to “provide a tax credit for food donations by qualified taxpayers to nonprofit organizations up to five thousand dollars (\$5,000) per year.” The bill provides for a tax credit in the amount equal to seventy-five percent (75%) of the fair market value of the donated “apparently wholesome food,” which cannot exceed five thousand dollars (\$5,000) per tax year. The bill’s effective date is January 1, 2027.

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

- There are several ambiguous terms, including, but not limited to, the definition of “[a]pparently wholesome food[.]”
- While the proposed amendment states that the “[D]ivision shall not be responsible for determining whether a donation consists of apparently wholesome food[.]” this provision is within proposed § 44-33.7-4, entitled “Promulgation of rules and regulations.” The Division would respectfully suggest that the bill be redrafted to clarify the placement of this provision.

- R.I. Gen. Laws § 44-30-2.6 would need to be amended to add the Tax Credit for Food Donation as an allowable credit against personal income tax.
- The provisions allowing credits for partnerships, limited liability companies, or S corporations create ambiguities as to pass-through entities and existing state statutes. Further, § 44-33.7-3(b) provides for these credits to be allocated in proportion to ownership or interest in the business, however, enforceability of this allocation would be difficult.

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](mailto:HouseFinance@rilegislature.gov))  
The Honorable Carol Hagan McEntee (via: [rep-mcentee@rilegislature.gov](mailto:rep-mcentee@rilegislature.gov))  
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House  
Lynne Urbani, Director of House Policy  
Jane E. Cole, Interim Director, Department of Revenue