

DR Rhode Island Department of Revenue
Division of Taxation

Via Electronic Mail

May 14, 2026

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

**RE: Letter Regarding House Bill 8177 – An Act Relating to Public Utilities and Carriers
– 988 Call Center Funding and Operations Act**

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 8177 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, House Bill 8177 would amend Title 39 of the Rhode Island General Laws (“Public Utilities and Carriers”) to add a new chapter 39-21.3 (“988 Call Center Funding and Operations Act”), amend R.I. Gen. Laws § 35-4-27 (“Indirect cost recoveries on restricted receipt accounts”), and amend R.I. Gen. Laws § 39-21.1-14 (“E-911 surcharge and first response surcharge”). Per the Explanation by the Legislative Council, the bill would “establish a fund and the operations necessary for a 988 hotline for suicide prevention and behavioral health crisis management . . . [and] instate a monthly surcharge on telephone lines to fund the 988 call center.” The bill’s effective date is July 1, 2027.

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

- As the proposed amendments to R.I. Gen. Laws § 39-21.1-14(a)(1) and (2) are currently drafted, no dollar amount is provided for the “monthly 988 fee.” Therefore, the bill would need redrafting. For administrative ease, the Division would respectfully request that the language regarding a “988 fee” be deleted from the bill and that the “988 surcharge” encompass the additional monthly amount proposed.

- The bill's current effective date could cause the appearance of retroactivity. The Division respectfully requests that the bill's effective date be redrafted so that the bill applies to "tax periods beginning on or after July 1, 2027."
- The Division suggests that the amendments to R.I. Gen. Laws § 39-21.1-14 be reorganized so that the new surcharge is included as a separate subsection rather than as amendments to Subsections (a)(1) and (2). Otherwise, Subsections (a)(1) and (2)'s existing language may appear to apply to the proposed 988 surcharge when it does not, causing confusion and administrability concerns.

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 Mary Ann Shallcross Smith
(via: rep-shallcross-smith@rilegislature.gov)
Danica Iacoi, Chief of Staff, Office of the Speaker of the House
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Lynne Urbani, Director of House Policy
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