

DR Rhode Island Department of Revenue
Division of Taxation

Via Electronic Mail

May 19, 2026

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

RE: Letter Regarding House Bill 8512 – An Act Relating to Taxation – Sales and Use Taxes – Liability and Computation

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 8512 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 § 44-18-30, entitled “Gross receipts exempt from sales and use taxes,” to create a sales tax exemption for “food and beverages for one week during the summer and one week during the winter, to be determined by the general assembly.” 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 bill’s language is overly broad, uses undefined terms such as “food” and “beverages,” may cause confusion and ambiguity, and may result in unintended consequences. For instance, the exemption as drafted may apply to food and beverages sold in grocery stores and convenience stores, which may not have been intended by the authors.
- While the Explanation by the Legislative Council states that the exemption would apply to the amount paid for food and beverages during “summer restaurant week and winter restaurant week,” the bill’s text does not necessarily align with that statement given that the bill provides that the General Assembly would determine the exemption dates.
- The State of Rhode Island Division of Taxation is a signatory to the Streamlined Sales and Use Tax Agreement (“SSUTA”) pursuant to R.I. Gen. Laws § 44-18.1-1. The SSUTA mandates that a member state must comply with its numerous terms, including consistent

definitions and notification requirements. As such, the Division recommends an effective date of October 1, 2026, to allow for reasonable notice under the SSUTA and to ensure proper implementation of the change for all stakeholders.

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 Megan L. Cotter (via: rep-cotter@rilegislature.gov)
Danica Iacoi, Chief of Staff, Office of the Speaker of the House
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House
Lynne Urbani, Director of House Policy
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