

**DOR** 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 8530 – 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 8530 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 § 44-18-7.3, entitled, “Services defined,” to add that “Parking services” “shall not include municipally operated beach parking in the town of Tiverton.” The bill would also amend R.I. Gen. Laws § 44-18-30, entitled “Gross receipts exempt from sales and use taxes,” to create a sales tax exemption for “the purchase price paid for parking services for municipally operated beach parking in the town of Tiverton.” 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 Division is concerned that the bill’s wording is overly broad and may cause confusion and ambiguity, and result in unintended consequences. The additional language, “but shall not include municipally operated beach parking in the town of Tiverton[,]” should be consistent within the statutory framework to provide that “parking services” does not mean the act of offering a parking space in or on a parking facility that is municipally operated beach parking in the town of Tiverton. Further, it is unclear how the determinations of “municipally operated” and “beach parking” would be made as those terms are not defined.

- The change to the definition of taxable “parking services” and the addition of the sales tax exemption is duplicative; the sales tax exemption is not needed where the service is not taxable.
- 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](mailto:HouseFinance@rilegislature.gov))  
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