

DIOR Rhode Island Department of Revenue
Division of Taxation

Via Electronic Mail

June 2, 2026

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

RE: Letter Regarding House Bill 8604 – An Act Relating to Taxation – Personal Income 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 8604 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 § 44-30-58 entitled “Personal Income Tax -- Requirements concerning returns, notices, records, and statements,” to delete the phrase “of one hundred dollars (\$100) or more” from subsection (c) and add the phrase “consistent with the applicable thresholds for informational filings established under Internal Revenue Code of 1986, as amended.” The bill is set to take effect upon passage.

The Division of Taxation supports the concept of aligning the state requirements with the federal requirements with respect to the amount of the threshold and deleting the phrase, “of one hundred dollars (\$100) or more[.]” which would aid uniformity between state and federal requirements. The Division respectfully suggests adding the phrase “pursuant to 26 U.S.C. § 1 *et seq.*,” after “established” on page 1, line 19 of the bill, and deleting “under Internal Revenue Code of 1986” to be reflected as:

16 (c) Information at source. The tax administrator may prescribe regulations and instructions
17 requiring returns of information to be made and filed on or before February 28 of each year as to
18 the payment or crediting in any calendar year of amounts ~~of one hundred dollars (\$100) or more~~
19 consistent with the applicable thresholds for informational filings established under Internal
1 Revenue Code of 1986 pursuant to 26 U.S.C. § 1 *et seq.*, as amended, to any Rhode Island personal
income taxpayer...

Please note that R.I. Gen. Laws § 44-30-58 has been in effect since 1971 and taxpayers have been

subject to the requirements of, and compliance with, the law since that time. This statute requires, in part, Form 1099 filings for all payments of \$100 or more regardless of whether there is Rhode Island withholding. The bill would result in requiring the same informational filing thresholds for both state and federal informational returns and these thresholds vary according to the type of informational filing. See [Publication 1099 \(2026\), General Instructions for Certain Information Returns | Internal Revenue Service](#) and [A guide to information returns | Internal Revenue Service](#).¹

The Division takes no position with respect to the remainder of the proposed legislation. Rather, the Division is concerned solely with the issues of tax policy, 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 Mary Ann Shallcross Smith (via: rep-shallcross-smith@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
Jane E. Cole, Interim Director, Department of Revenue

¹ See https://www.irs.gov/publications/p1099#en_US_2026_publink1000287056 & <https://www.irs.gov/businesses/small-businesses-self-employed/a-guide-to-information-returns>.