

DR Rhode Island Department of Revenue
Division of Taxation

Via Electronic Mail

April 30, 2026

The Honorable Louis P. DiPalma
Chair, Senate Committee on Finance
Rhode Island State House
Providence, RI 02903

RE: Letter Regarding Senate Bill 2019 – An Act Relating to Taxation – Estate and Transfer Taxes – Liability and Computation

Dear Chair DiPalma:

I am writing on behalf of the Rhode Island Department of Revenue, Division of Taxation (“Division”), to: i) express concerns regarding issues with proposed Senate Bill 2019 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 § 44-22-1.1 entitled “Tax on net estate of decedent” by adding subsections 44-22-1.1(a)(5) and (f). Subsection 44-22-1.1(a)(5) would impose the estate and transfer tax on the amount of the net taxable estate of a decedent that exceeds \$3,600,000 for decedents whose death occurs on or after January 1, 2027. The \$3,600,000 exemption amount would increase by \$1,000,000 each subsequent January 1, starting January 1, 2028, until January 1, 2033, on which date the estate and transfer tax would expire. The bill is set to take effect upon passage.

The Division has significant implementation concerns with the bill as drafted as it creates a new subsection within R.I. Gen. Laws § 44-22-1.1, but it does not include the standard language from the other subsections tying it to the Internal Revenue Code. *See, e.g.* R.I. Gen. Laws § 44-22-1.1(a)(4) (“The tax is a sum equal to the maximum credit for state death taxes allowed by 26 U.S.C. § 2011, as it was in effect as of January 1, 2001[.]”). The bill also omits the standard language from the other subsections regarding the “percentage of increase in the Consumer Price index for all Urban Consumers (CPI-U) as published by the United States Department of Labor Statistics determined as of September 30 of the prior calendar year.” Further, the bill as drafted creates a deduction of \$3,600,000, rather than creating a credit amount equivalent to the tax on \$3,600,000, which likely is not the intent.

Additionally, the bill takes effect upon passage and, as currently drafted, applies to estates for decedents whose death occurs on or after January 1, 2027. The Division respectfully requests that the effective date also be January 1, 2027, to align with the application to avoid potential confusion for taxpayers. Tax legislation which takes effect during the 2026 calendar year – particularly the first part of the calendar year – might lead taxpayers and others to conclude that the proposed amendment in Section 1 of Senate Bill 2019 applies during the current year. That would lead to errors in filing and processing, which could, in turn, lead to substantial tax consequences, underpayment penalties and interest, as well as the need for preparing and filing amended returns.

The Division believes that aligning the effective date as set forth above would make it clear to taxpayers, tax preparers, and tax software providers that the proposed amendment would not apply to estates with decedents whose dates of death occur in 2026. Setting the effective date at a future point would also provide taxpayers, tax preparers, tax software providers, and the Division sufficient time to plan ahead.

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 Senate Committee on Finance (via: SenateFinance@rilegislature.gov)
The Honorable Thomas J. Paolino (via: sen-paolino@rilegislature.gov)
Kristen Silvia, Deputy Chief of Staff/Director of Legislation
Jane E. Cole, Interim Director, Department of Revenue