

**DR** Rhode Island Department of Revenue  
Division of Taxation

*Via Electronic Mail*

June 8, 2026

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

**RE: Letter Regarding Senate Bill 2021 – An Act Relating to Taxation – Personal Income Tax**

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 2021 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 Rhode Island General Laws Chapter 44-30 (“Personal Income Tax”) to add a new section, § 44-30-12.1 (“Bitcoin exemption”). The bill would exempt “an individual or business” selling or exchanging Bitcoin from state taxation, provided that the total value of transactions does not exceed five thousand dollars (\$5,000) per month or twenty thousand dollars (\$20,000) per taxable year. The bill is set to take effect on January 1, 2027 and sunset on January 1, 2028.

As currently drafted, the Division has significant administrability concerns with the bill. A thorough review and study of the marketplace impacts of Bitcoin and the interplay between the relevant federal statutes and state statutes is needed to examine the intended and unintended consequences and impacts of the bill. Additionally, it is unclear why the Department of Business Regulation would be the appropriate agency to issue guidance on this tax exemption. Finally, certain terms, such as “Market value” and “Sale of Bitcoin,” are defined in the bill but not used thereafter.

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,

A handwritten signature in blue ink, appearing to read "Neena S. Savage", with a long horizontal flourish extending to the right.

Neena S. Savage  
Tax Administrator

cc: The Honorable Members of the Senate Committee on Finance (via:  
[SenateFinance@rilegislature.gov](mailto:SenateFinance@rilegislature.gov))  
The Honorable Peter A. Appollonio, Jr. (via: [sen-appollonio@rilegislature.gov](mailto:sen-appollonio@rilegislature.gov))  
Kristen Silvia, Deputy Chief of Staff/Director of Legislation  
Jane E. Cole, Interim Director, Department of Revenue