

Via Electronic Mail

May 28, 2026

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

RE: Letter Regarding Senate Bill 2096 – An Act Relating to Taxation – Sales and Use 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 2096 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 add to § 44-18-30(23) (“Trade-in value of motor vehicles”) an exemption for the trade-in value of a pickup truck, as defined in the bill, “used exclusively for personal use....” The bill is set to take effect upon passage.

There are several potential issues with the bill that impact tax administration, including, but not limited to:

- The Division notes that “personal use” is not defined, which creates ambiguity and may be difficult to administer in relation to the exemption. The Division would not be able to determine if a pickup truck is used exclusively for personal use. However, it is the Division’s understanding that a pickup truck may only be registered with the Division of Motor Vehicles as a commercial or combination vehicle, neither of which would support an exclusively personal use. Therefore, as drafted, no pickup truck would fall under this proposed exemption, which contravenes the intent of the bill.

- As Rhode Island is a signatory to the Streamlined Sales and Use Tax Agreement (SSUTA), it must ensure compliance with the SSUTA in relation to the exemption and so recommends an effective date ninety (90) days subsequent to passage of the bill.

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 Gordon E. Rogers (via: sen-rogers@rilegislature.gov)
Kristen Silvia, Deputy Chief of Staff/Director of Legislation
Jane E. Cole, Interim Director, Department of Revenue