

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 2251 – 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 2251 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 repeals Chapter 44-22 of the Rhode Island General Laws, entitled “Estate and Transfer Taxes – Liability and Computation,” and Chapter 44-23 of the Rhode Island General Laws, entitled “Estate and Transfer Taxes — Enforcement and Collection,” in their entirety. The bill is effective upon passage.

As this bill repeals the estate and transfer taxes and is effective upon passage, the bill effectively eliminates the state’s estate tax on the estates of all decedents regardless of the dates of death of the decedents. This could result in refund claims for those estates that paid the estate tax as the bill eliminates the estate tax in its entirety. As a result, the Division recommends that the bill be clarified to eliminate the estate and transfer taxes for decedents with a prospective date of death, for example, on or after January 1, 2027.

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 "Msavage", 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)
The Honorable David P. Tikoian (via: sen-tikoian@rilegislature.gov)
Kristen Silvia, Deputy Chief of Staff/Director of Legislation
Jane E. Cole, Interim Director, Department of Revenue