

D  **R** Rhode Island Department of Revenue
Division of Taxation

Via Electronic Mail

May 26, 2026

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

**RE: Letter Regarding Senate Bill 2370 – An Act Relating to Taxation – Rhode Island
Tax Amnesty Act of 2017**

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 2370 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 § 44-6.5-4, entitled “Rhode Island Tax Amnesty Act of 2017 – Interest under tax amnesty,” to authorize the tax administrator to waive interest and penalties on delinquent taxes paid in full during a one-week tax amnesty period. The bill would further provide for the reinstatement of a taxpayer’s driver’s license due to nonpayment of taxes upon payment in full of all delinquent taxes. 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:

- As currently drafted, the proposed amnesty program is located in R.I. Gen. Laws § 44-6.5-4. Including the proposed language within the Rhode Island Tax Amnesty Act of 2017 would cause implementation and legality concerns. Additionally, if the proposal is contained in § 44-6.5-4, the bill’s intent would not be effectuated. The Division respectfully suggests that it would be better to create an amnesty program within its own chapter within the Rhode Island General Laws, similar to past amnesty programs. *See, e.g.* R.I. Gen. Laws §§ 44-6.2-1, *et seq.*, 44-6.3-1, *et seq.* This would provide taxpayers and businesses with certainty about the program’s provisions and applicability.

- The Division respectfully suggests that a proposal for an annual tax amnesty must take into account what message may be perceived by taxpayers and what revenue impact would result. Tax filing deadlines could become irrelevant since any penalty or interest would be waived during the annual amnesty week.
- The current tax block under R.I. Gen. Laws §§ 31-3-6.1 and 31-3-6.1.1 is a block, not a suspension, so there is no license to reinstate. Further, the tax block is applicable to licenses and registrations. As a result, the proposed remedy may not achieve its intended effect.
- The Division respectfully requests that the bill's language be amended to allow for a feature to revoke amnesty should the taxpayer for which amnesty is granted becomes non-compliant with their/its tax obligations in the following period. This feature is intended to limit abuse by taxpayers who attempt to withhold their tax payments and then pay during an amnesty program to take advantage of waived penalty and partial interest, or full interest in the case of this proposed amendment.
- The Division further would note that the Governor proposed in the Fiscal Year 2027 Budget, introduced as House Bill 7127, in Article 5, Section 1, an amnesty program in relation to which this bill has substantial differences.

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.

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 Brian J. Thompson (via: sen-thompson@rilegislature.gov)
Kristen Silvia, Deputy Chief of Staff/Director of Legislation
Jane E. Cole, Interim Director, Department of Revenue