

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

***Via Electronic Mail***

May 19, 2026

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

**RE: Letter Regarding Senate Bill 3151 – An Act Relating to Taxation – Historic Preservation Tax Credits 2013**

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 3151 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 amends various sections of Rhode Island General Laws Chapter 44-33.6 (“Historic Preservation Tax Credits 2013”) and R.I. Gen. Laws § 42-64.20-5 (“Rebuild Rhode Island Tax Credit – Tax credits”) to, *inter alia*, increase the maximum project credit. 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 proposed amendments would greatly alter the Historic Preservation Tax Credits 2013 program. A thorough review and study of the purpose and scope of the proposed bill is needed to gauge its impacts on the current prevailing wage requirements and from a taxation perspective.
- As currently drafted, the bill would create disparate treatment between taxpayer applicants, such as new reporting requirements and fee amounts, depending on when the applicants entered the program, which may raise concerns about the bill’s constitutionality.
- The terms “affordable rental unit” and “affordable housing” are undefined and ambiguous and may lead to unintended consequences. Additionally, the bill is unclear as to how the

Division would have knowledge of the number of “affordable rental units” sold as “affordable housing.”

- Certain of the proposed amendments are duplicative in relation to existing provisions. Additionally, some of the duplicative provisions are not included in the proper sections.
- The bill is effective upon passage, which would cause administrability issues for the Division and may cause retroactivity concerns. The Division would respectfully suggest that the bill’s language involving the effective date be changed to be January 1, 2027, and apply to projects which have not yet entered into an agreement with the Division.

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](mailto:SenateFinance@rilegislature.gov))  
The Honorable Jacob E. Bissaillon (via: [sen-bissaillon@rilegislature.gov](mailto:sen-bissaillon@rilegislature.gov))  
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