

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

*Via Electronic Mail*

June 2, 2026

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

**RE: Letter Regarding Senate Bill 3215 – An Act Relating to Agriculture and Forestry –  
Hemp Growth Act -- Rhode Island Hemp THC Beverage Act**

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 3215 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 § 2-26-4 (“Hemp an agricultural product”) and R.I. Gen. Laws § 21-28.11-6 (“Cannabis advisory board”) as well as Title 21 of the Rhode Island General Laws, entitled “Food and Drugs,” to add a new Chapter 21-28.13 (“Rhode Island Hemp THC Beverage Act”), which would authorize the sale of THC-infused beverages to be regulated by the Cannabis Control Commission (the “Commission”). The bill would also establish a licensing and an endorsement process for wholesale and retail THC-infused beverages. The bill is set to take effect on August 1, 2026.

There are numerous potential issues with the bill that impact tax administration. The below issues are based on the anticipation of substantial revisions and additions to the bill because, in its current form, the bill is not administrable.

The potential administrability issues include, but are not limited to:

- While it appears that proposed § 21-28.13-4(f)’s intent may be to impose an excise tax similar to that imposed on alcoholic beverages under Chapter 3-10, the taxes must be assessed and levied by the Tax Administrator, not the Commission. The bill should be redrafted to correct those issues. Specifically, the excise tax should be in a separate Taxation chapter under Title 44, and the bill should be redrafted to make sure there is consistency in the taxes imposed.

- Proposed § 21-28.13-4(f) directs the Division to “establish a commodity code for THC-infused beverages[;]” however a commodity code has no bearing on taxation.
- The bill’s language regarding licensing is vague and does not provide the necessary details as to the duration of the license validity or license revocation and renewal procedures and requirements.
- Additionally, the bill lacks language concerning the reporting of active licenses from the Commission to the Division and does not provide a data-sharing mechanism for the Division to provide data back to the Commission concerning revocation. The bill as currently drafted authorizes the Commission to “suspend, revoke, or place conditions upon any certificate, license, permit, registration, endorsement, or other credential issued to or for such business” based on failure to submit required reports or nonpayment of the taxes and fees imposed. However, given taxpayer confidentiality considerations, the Division would not be able to advise the Commission if the taxes had been remitted.
- The resource impacts from the bill’s endorsement application requirement that a licensed liquor retailer (or liquor distributor for distribution authority), cannabis retailer, or hemp-consumables retailer obtain a letter of good standing from the Division would be significant, which would take away from other existing responsibilities.
- The bill’s effective date is August 1, 2026. However, if the Division were to administer the new tax, the Division respectfully requests that the effective date be further in the future and for tax years beginning on or after January 1, 2027, to allow time for implementation of the new tax, which will require instructions, form, and system updates.

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))  
Kristen Silvia, Deputy Chief of Staff/Director of Legislation  
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