

DOR Rhode Island Department of Revenue
Division of Taxation

Via Electronic Mail

April 16, 2026

The Honorable Melissa A. Murray
Chair, Senate Committee on Health & Human Services
Rhode Island State House
Providence, RI 02903

RE: Letter Regarding Senate Bill 2573 – An Act Relating to Health and Safety – The Rhode Island Comprehensive Health Insurance Program

Dear Chair Murray:

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 2573 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 add Chapter 106 to Title 23 (Health and Safety), entitled “The Rhode Island Comprehensive Health Insurance Program,” to, as set forth in the Explanation by the Legislative Council, “establish a universal, comprehensive, affordable single-payer health care insurance program and help control health care costs....” The bill also adds other chapters and amends several existing statutes, including amendments to R.I. Gen. Laws § 44-17-1, entitled “Companies required to file – Payment of tax – Retaliatory rates,” to change the tax rate for tax year 2028 and thereafter from two percent (2%) to four percent (4%) of the gross premiums on insurance contracts. The bill is set to be effective upon passage.

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

- The scope and complexity of the proposed legislation, including its interaction with existing state and federal statutes and taxes, raise substantial questions regarding administrability. A comprehensive review and analysis of these interactions is necessary to avoid unintended consequences and ensure the tax provisions can be effectively administered.
- The bill’s effective date is upon passage; however, given the work that would be needed to implement this bill, the Division respectfully requests that the bill’s language involving the effective date be changed to specify the tax year(s) to which the proposed amendment

would apply by including language in the bill that it applies to tax years beginning 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,



Neena S. Savage
Tax Administrator

cc: The Honorable Members of the Senate Committee on Health & Human Services (via: SLegislation@rilegislature.gov)
The Honorable Samuel W. Bell (via: sen-bell@rilegislature.gov)
Kristen Silvia, Deputy Chief of Staff/Director of Legislation
Jane E. Cole, Interim Director, Department of Revenue