

Via Electronic Mail

March 26, 2026

The Honorable Matthew L. LaMountain
Chair, Senate Committee on Judiciary
Rhode Island State House
Providence, RI 02903

RE: Letter Regarding Senate Bill 2146 – An Act Relating to Insurance – Peer-to-Peer Car Sharing Program Act

Dear Chair LaMountain:

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 2146 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 to notify the Committee of potential impacts of the bill on tax administration.

As you know, Senate Bill 2146 adds a Chapter 8.4 to Title 27, entitled “Insurance,” seeking to authorize and regulate a peer-to-peer car sharing program. Included in the bill is a provision that exempts receipts from a peer-to-peer car sharing program and the receipts of the shared vehicle owner from the eight percent (8%) rental vehicle surcharge imposed pursuant to R.I. Gen. Laws § 31-34.1-2.

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

- Treating these types of rentals differently from other rentals of motor vehicles results in disparate treatment in relation to the exemption from the 8% rental vehicle surcharge.
- Exempting these types of rentals from the rental vehicle surcharge may have broad unintended consequences on taxation of both rentals covered by this bill as a peer-to-peer car sharing program and other transactions not covered by the bill.
- Additional research would need to be conducted to ensure consistency with, and to determine potential impacts in relation to, other Rhode Island laws.

The impact of the disparate treatment through exemption of certain transactions from the rental vehicle surcharge should be examined in detail to confirm that no downstream unintended consequences result in relation to overall state taxation of these transactions.

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 Judiciary
(via: SenateJudiciary@rilegislature.gov)
The Honorable Hanna M. Gallo (via: sen-gallo@rilegislature.gov)
Kristen Silvia, Deputy Chief of Staff/Director of Legislation
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