

2023 -- S 0867

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

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A N A C T

RELATING TO TAXATION -- PUBLIC SERVICE CORPORATION TAX

Introduced By: Senators DiPalma, Ciccone, Lombardo, Gallo, Sosnowski, and Felag

Date Introduced: March 30, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-13 of the General Laws entitled “Public Service Corporation Tax”

2 is hereby amended by adding thereto the following section:

3 **44-13-37. Temporary relief from the gross earnings tax on electricity and gas.**

4 (a) As used in this section:

5 (1) “Electric utility customer” means an individual or business who purchases electricity
6 from a utility company during any of the months between and including December 2022 through
7 March 2023.

8 (2) “Gas utility customer” means an individual or business who purchases natural gas from
9 a utility company during any of the months between and including December 2022 through March
10 2023.

11 (3) “Utility company” means any entity that qualifies as a “public service company”
12 pursuant to § 44-13-2.1 and a “corporation” for the purposes of § 44-13-4(2) or § 44-13-4(6) and
13 sells electricity to an electric utility customer or sells natural gas to a gas utility customer for any
14 of the months between and including December 2022 through March 2023.

15 (b)(1) A utility company may be eligible for a rebate payment in the amount of the public
16 service corporation tax due pursuant to § 44-13-4 that would be charged to its electric utility
17 customers or its gas utility customers for the months of December 2022 through March 2023. For
18 the months of December 2022 through March 2023:

19 (i) A utility company shall pay the public service corporation tax pursuant to, and in

1 accordance with, § 44-13-4:

2 (ii) A utility company shall not charge any electric utility customer or any gas utility
3 customer the tax due or paid pursuant to § 44-13-4, but shall continue to reflect the amount of the
4 tax due along with an offsetting credit on each bill for each electric utility customer or gas utility
5 customer.

6 (2) The rebate amount shall be determined by the division of taxation based on the
7 applicable tax paid by a utility company for electricity consumption by its electric utility customers
8 and/or for gas consumption by its gas utility customers between and including the months of
9 December 2022 and March 2023.

10 (3) The utility company must apply for a rebate on such forms and in such a manner as
11 prescribed by the division of taxation on or before May 31, 2023 and the rebate will be paid by the
12 division of taxation to the utility company.

13 (4) Rebate payments made under this subsection shall not be subject to offset and shall not
14 be considered gross earnings for the purposes of the public service corporation tax under this
15 chapter.

16 (5) In no event shall the rebate amount provided for in this section accrue interest for the
17 benefit of any utility company. The utility company shall not charge an electric utility customer or
18 a gas utility customer any fees or charges associated with the amounts qualifying for a rebate in
19 accordance with this section.

20 (6) In addition to all other penalties provided under Rhode Island state law, any utility
21 company that submits a fraudulent application or fails to otherwise comply with the terms of this
22 section for the December 2022 through March 2023 period shall pay a ten dollar (\$10.00) penalty
23 per registered active account. The utility company shall pay any rebate amount fraudulently
24 received to the division of taxation and credit the electric utility customer or gas utility customer
25 for any amounts fraudulently or improperly claimed by the utility company and paid by the electric
26 utility customer or gas utility customer. The tax administrator shall have the same powers to collect
27 payment under this subsection as under title 44 of the general laws.

28 (7) If an electric utility customer or a gas utility customer erroneously pays to the utility
29 company the tax due for the December 2022 through March 2023 period, or any portion thereof,
30 the utility company must refund the customer within thirty (30) days of the customer remitting the
31 payment.

32 (8) If any provision of this section or the application thereof is held invalid, such invalidity
33 shall not affect the provisions of this section which can be given effect without the invalid
34 provisions. Notwithstanding this subsection, all other subsections of this chapter shall remain in

1 [full force and effect.](#)

2 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION -- PUBLIC SERVICE CORPORATION TAX

- 1 This act would provide tax relief on electricity and natural gas for the months of December
- 2 2022 through March 2023.
- 3 This act would take effect upon passage.

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