

2024 -- H 7340

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

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A N A C T

RELATING TO TAXATION -- PUBLIC SERVICE CORPORATION TAX

Introduced By: Representatives P. Morgan, Fenton-Fung, Quattrocchi, Roberts, Nardone,
J. Brien, Messier, and Rea

Date Introduced: January 26, 2024

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-13-4 of the General Laws in Chapter 44-13 entitled "Public
2 Service Corporation Tax" is hereby amended to read as follows:

3 **44-13-4. Rate of taxation.**

4 The tax imposed will be at the following rates:

5 (1) In the case of every corporation whose principal business is a steamboat or ferryboat
6 business as a common carrier, every common carrier steam or electric railroad corporation, every
7 street railway corporation, every common carrier dining, sleeping, chair, or parlor car corporation,
8 every corporation whose principal business is selling and distributing water to the public, and every
9 toll bridge corporation, one and one-fourth percent (1.25%) of its gross earnings;

10 ~~(2) In the case of every corporation whose principal business is manufacturing, selling,~~
11 ~~distributing and/or transmitting currents of electricity to be used for light, heat, or motive power,~~
12 ~~four percent (4%) of its gross earnings, but deductions shall be made of gross earnings from the~~
13 ~~transmission or sale of electricity to other public utility corporations, non-regulated power~~
14 ~~producers, or municipal utilities for resale, whether within or outside of this state; provided, that~~
15 ~~the tax measured by the portion of the utility's gross earnings as is derived from the manufacture~~
16 ~~and sale of illuminating and heating gas and its by products and the merchandising of gas~~
17 ~~appliances shall be computed at the rate of three percent (3%);~~

18 (3) In the case of every express corporation carrying on its business on steamboats, steam
19 or electric railroads, or street railways and of every public service corporation whose principal

1 business is that of a telegraph corporation, four percent (4%) of its gross earnings;

2 (4) In the case of every telecommunications corporation providing telecommunications
3 service, ten percent (10%) of its gross earnings; provided, that the rate shall be nine percent (9%)
4 effective July 1, 1985, eight percent (8%) effective July 1, 1986, seven percent (7%) effective July
5 1, 1987, six percent (6%) effective July 1, 1988, and five percent (5%) effective July 1, 1997. For
6 purposes of this chapter, “telecommunications service” means the transmission of any interactive
7 two-way electromagnetic communications including voice, image, data, and other information, by
8 means of wire, cable, including fiber optical cable, microwave, and radio wave, or any
9 combinations of these media. This definition does not include value added non-voice services in
10 which computer processing applications are used to act on the form, content, code, and protocol of
11 the information to be transmitted; [and](#)

12 (5) In the case of every public service cable corporation, eight percent (8%) of its gross
13 earnings;

14 ~~(6) In the case of every corporation whose principal business is manufacturing, selling~~
15 ~~and/or distributing to the public illuminating or heating gas, three percent (3%) of its gross earnings.~~

16 SECTION 2. This act shall take effect on July 1, 2024.

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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 eliminate the gross earning tax for every corporation whose principal
2 business is manufacturing, selling, distributing and/or transmitting current of electricity and natural
3 gas to be used for light, heat, or motive power.

4 This act would take effect on July 1, 2024.

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