AN ACT

RELATING TO MOTOR AND OTHER VEHICLES -- RIDESHARE OR TRANSPORTATION NETWORK COMPANY VEHICLE SURCHARGE

Introduced By: Senators Kallman, Cano, DiMario, Acosta, Gu, Sosnowski, Miller, Ujifusa, Zurier, and Lauria
Date Introduced: January 24, 2024
Referred To: Senate Finance

It is enacted by the General Assembly as follows:

SECTION 1. Title 31 of the General Laws entitled "MOTOR AND OTHER VEHICLES" is hereby amended by adding thereto the following chapter:

CHAPTER 34.2

RIDESHARE OR TRANSPORTATION NETWORK COMPANY VEHICLE SURCHARGE

31-34.2-1. Rideshare or transportation network company vehicle surcharge.

(a) Each rideshare or transportation network company shall collect a surcharge which shall be added to the fare charged to each customer. For the purposes of this chapter, "rideshare or transportation network company" means a company that provides on-demand transportation services through app-based platforms to connect drivers with clients or passengers to facilitate and/or provide transportation for compensation or a fee.

(b) The surcharge shall be seventy-five cents ($0.75) per fare.

(c) The total amount of surcharge collections shall be remitted to the State of Rhode Island, and fifty percent (50%) of the surcharge collections shall be deposited in a restricted account to be used for street infrastructure improvements in the municipality where the fare originated, and fifty percent (50%) of the surcharge collections shall be deposited in a restricted account to be used as funding for implementation of Transit Forward RI as adopted by the state planning council.

(d) The tax administrator shall promulgate rules and regulations necessary to implement the provisions of this chapter.
(e) All disbursements and expenditures of funds from the restricted accounts subject to the provisions of this section shall be by appropriation of the general assembly.

SECTION 2. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes — Liability and Computation" is hereby amended by adding thereto the following section:

44-18-18.2, Transportation network companies tax.

All sales tax revenue collected from transportation network companies, as defined in § 44-18-7.3, shall be deposited in a restricted receipt account for the benefit of the Rhode Island public transit authority (RIPTA).

SECTION 3. This act shall take effect upon passage.
This act would impose a seventy-five cent ($0.75) surcharge on fares charged by rideshare or transportation network companies. This act would also require that fifty percent (50%) of the surcharge be deposited in a restricted account to be used for street improvements in the municipality where the fare originated, and fifty percent (50%) of the surcharge be deposited in a restricted account to fund Transit Forward RI. The tax administrator would promulgate rules and regulations to implement the provisions of this chapter. The act would also establish a restricted receipt account for the benefit of RIPTA funded by sales tax collected from ride-share companies such as Uber and Lyft.

This act would take effect upon passage.