

2024 -- S 2854

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LC005719
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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 -- MOTOR VEHICLE AND TRAILER EXCISE TAX
ELIMINATION ACT OF 1998

Introduced By: Senator Robert Britto

Date Introduced: March 22, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-34.1-2 of the General Laws in Chapter 44-34.1 entitled "Motor
2 Vehicle and Trailer Excise Tax Elimination Act of 1998" is hereby amended to read as follows:

3 **44-34.1-2. City, town, and fire district reimbursement.**

4 (a) In fiscal years 2024 and thereafter, cities, towns, and fire districts shall receive
5 reimbursements, as set forth in this section, from state general revenues equal to the amount of lost
6 tax revenue due to the phase out of the excise tax. When the tax is phased out, cities, towns, and
7 fire districts shall receive a permanent distribution of sales tax revenue pursuant to § 44-18-18 in
8 an amount equal to any lost revenue resulting from the excise tax elimination.

9 (b)(1) In fiscal year 2024, cities, towns, and fire districts shall receive the following
10 reimbursement amounts:

11	Barrington	\$ 5,894,822
12	Bristol	\$ 2,905,818
13	Burrillville	\$ 5,053,933
14	Central Falls	\$ 2,077,974
15	Charlestown	\$ 1,020,877
16	Coventry	\$ 5,872,396
17	Cranston	\$ 22,312,247
18	Cumberland	\$ 6,073,469

1	East Greenwich	\$ 2,417,332
2	East Providence	\$ 11,433,479
3	Exeter	\$ 2,241,381
4	Foster	\$ 1,652,251
5	Glocester	\$ 2,381,941
6	Hopkinton	\$ 1,629,259
7	Jamestown	\$ 622,793
8	Johnston	\$ 10,382,785
9	Lincoln	\$ 5,683,015
10	Little Compton	\$ 366,775
11	Middletown	\$ 1,976,448
12	Narragansett	\$ 1,831,251
13	Newport	\$ 2,223,671
14	New Shoreham	\$ 163,298
15	North Kingstown	\$ 5,378,818
16	North Providence	\$ 9,619,286
17	North Smithfield	\$ 4,398,531
18	Pawtucket	\$ 16,495,506
19	Portsmouth	\$ 2,414,242
20	Providence	\$ 34,131,596
21	Richmond	\$ 1,448,455
22	Scituate	\$ 1,977,127
23	Smithfield	\$ 7,098,694
24	South Kingstown	\$ 3,930,455
25	Tiverton	\$ 1,748,175
26	Warren	\$ 2,090,911
27	Warwick	\$ 25,246,254
28	Westerly	\$ 5,765,523
29	West Greenwich	\$ 1,331,725
30	West Warwick	\$ 5,673,744
31	Woonsocket	\$ 9,324,776
32	Lime Rock Fire District	\$ 133,933
33	Lincoln Fire District	\$ 208,994
34	Manville Fire District	\$ 64,862

1 Quinnville Fire District \$ 13,483

2 (2) In fiscal year 2024, funds shall be distributed to the cities, towns, and fire districts as
3 follows:

4 (i) On August 1, 2023, twenty-five percent (25%) of the funds.

5 (ii) On November 1, 2023, twenty-five percent (25%) of the funds.

6 (iii) On February 1, 2024, twenty-five percent (25%) of the funds.

7 (iv) On May 1, 2024, twenty-five percent (25%) of the funds.

8 The funds shall be distributed to each city, town, and fire district in the same proportion as
9 distributed in fiscal year 2023.

10 (3) For the city of East Providence, the payment schedule is twenty-five percent (25%) on
11 November 1, 2023, twenty-five percent (25%) on February 1, 2024, twenty-five percent (25%) on
12 May 1, 2024, and twenty-five percent (25%) on August 1, 2024.

13 (4) On any of the payment dates specified in subsections (b)(2)(i) through (b)(2)(iv) or
14 (b)(3) of this section, the director of revenue is authorized to deduct previously made over-
15 payments or add supplemental payments as may be required to bring the reimbursements into full
16 compliance with the requirements of this chapter.

17 (c) When the tax is phased out to August 1, of the following fiscal year the director of
18 revenue shall calculate to the nearest thousandth of one cent (\$0.00001) the number of cents of
19 sales tax received for the fiscal year ending June 30, of the year following the phase-out equal to
20 the amount of funds distributed to the cities, towns, and fire districts under this chapter during the
21 fiscal year following the phase-out and the percent of the total funds distributed in the fiscal year
22 following the phase-out received by each city, town, and fire district, calculated to the nearest one-
23 hundredth of one percent (0.01%). The director of the department of revenue shall transmit those
24 calculations to the governor, the speaker of the house, the president of the senate, the chairperson
25 of the house finance committee, the chairperson of the senate finance committee, the house fiscal
26 advisor, and the senate fiscal advisor. The number of cents, applied to the sales taxes received for
27 the prior fiscal year, shall be the basis for determining the amount of sales tax to be distributed to
28 the cities, towns, and fire districts under this chapter for the second fiscal year following the phase-
29 out and each year thereafter. The cities, towns, and fire districts shall receive that amount of sales
30 tax in the proportions calculated by the director of revenue as that received in the fiscal year
31 following the phase-out.

32 (d) In fiscal years 2025 and thereafter, twenty-five percent (25%) of the funds shall be
33 distributed to the cities, towns, and fire districts on August 1, 2024, and every August 1 thereafter;
34 twenty-five percent (25%) shall be distributed on November 1, 2024, and every November 1

1 thereafter; twenty-five percent (25%) shall be distributed on February 1, 2025, and every February
2 1 thereafter; and twenty-five percent (25%) shall be distributed on May 1, 2025, and every May 1
3 thereafter.

4 ~~(e) For the city of East Providence, in fiscal years 2025 and thereafter, twenty five percent~~
5 ~~(25%) shall be distributed on November 1, 2024, and every November 1 thereafter; twenty five~~
6 ~~percent (25%) shall be distributed on February 1, 2025, and every February 1 thereafter; twenty-~~
7 ~~five percent (25%) shall be distributed on May 1, 2025, and every May 1 thereafter; and twenty-~~
8 ~~five percent (25%) of the funds shall be distributed on August 1, 2025, and every August 1~~
9 ~~thereafter.~~

10 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 -- MOTOR VEHICLE AND TRAILER EXCISE TAX
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1 This act would repeal the provision setting a different timeline for reimbursement of East
2 Providence for the FY 2025, and would bring East Providence in line with other municipalities in
3 the timing of reimbursements.

4 This act would take effect upon passage.

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