

**2026 -- S 2028**

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LC003712

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**S T A T E   O F   R H O D E   I S L A N D**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2026**

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**A N   A C T**

**RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND COMPUTATION**

Introduced By: Senators Kallman, DiMario, Murray, Euer, Zurier, Pearson, Valverde, Gallo, and Bissaillon

Date Introduced: January 09, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1        SECTION 1. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes — Liability  
2 and Computation" is hereby amended by adding thereto the following section:

3        **44-18-36.2. Digital advertising services tax.**

4        (a) There is hereby levied and imposed, upon every purchaser of digital advertising  
5 services, in addition to all other taxes and fees now imposed by law, a local digital advertising  
6 services tax upon each and every digital advertisement sold within the state of Rhode Island at a  
7 rate of:

8        (i) Two and one-half percent (2.5%) of the assessable base for a person with global  
9 revenues of one hundred million dollars (\$100,000,000) through one billion dollars  
10 (\$1,000,000,000);

11        (ii) Five percent (5.0%) of the assessable base for a person with global revenues of one  
12 billion dollars (\$1,000,000,000) through five billion dollars (\$5,000,000,000); and

13        (iii) Seven and one-half percent (7.5%) of the assessable base for a person with global  
14 revenues of five billion dollars (\$5,000,000,000) through fifteen billion dollars (\$15,000,000,000).

15        (b) The tax shall be paid to the tax administrator by the retailer at the time and in the manner  
16 provided, pursuant to rules and regulations promulgated by the tax administration pursuant to § 44-  
17 1-4.

18        (c) All sums received by the division of taxation under this section as taxes, penalties, or

1 forfeitures, interest, costs of suit, and fines shall be distributed at least annually and credited and  
2 paid by the state treasurer as follows:

3 (i) Ten percent (10%) to the Rhode Island public transit authority (RIPTA) general  
4 operating budget;

5 (ii) Fifteen percent (15%) statewide climate resiliency fund;  
6 (iii) Five percent (5%) to the university of Rhode Island resiliency toolkit;  
7 (iv) Twenty percent (20%) to the housing development fund through the department of  
8 housing;

9 (v) Ten percent (10%) to the universal lunch program statewide;  
10 (vi) Twenty percent (20%) to the municipal resiliency plans fund; and  
11 (vii) Twenty percent (20%) to the general fund.

12 (d) A person who derives gross revenue from digital advertising in this state, shall not  
13 charge customers additional fees or surcharges specifically identified as the digital advertising tax;  
14 however, nothing in this section prohibits providing a separate statement or disclosure of the tax  
15 amount in invoices or communications to customers.

16 (e) This local digital advertising services tax shall be administered and collected by the  
17 division of taxation, and unless provided to the contrary in this chapter, all of the administration,  
18 collection, and other provisions of chapters 18 and 19 of this title apply.

19 SECTION 2. This act shall take effect on July 1, 2026

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND  
COMPUTATION

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- 1 This act would impose a sales tax on digital advertising services.
- 2 This act would take effect on July 1, 2026

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