

LC003689

IN GENERAL ASSEMBLY

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

Referred To: Senate Finance

1 SECTION 1. Title 31 of the General Laws entitled "MOTOR AND OTHER VEHICLES"

2 is hereby amended by adding thereto the following chapter:

3 CHAPTER 34.2

4 RIDESHARE OR TRANSPORTATION NETWORK COMPANY VEHICLE SURCHARGE

5 **31-34.2-1. Rideshare or transportation network company vehicle surcharge.**

6 (a) Each rideshare or transportation network company shall collect a surcharge which shall

7 be added to the fare charged to each customer. For the purposes of this chapter, "rideshare or

8 transportation network company" means a company that provides on-demand transportation

9 services through app-based platforms to connect drivers with clients or passengers to facilitate

10 and/or provide transportation for compensation or a fee.

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

12 (c) The total amount of surcharge collections shall be remitted to the State of Rhode Island,

13 and fifty percent (50%) of the surcharge collections shall be deposited in a restricted account to be

14 used for street infrastructure improvements in the municipality where the fare originated, and fifty

15 percent (50%) of the surcharge collections shall be deposited in a restricted account to be used as

16 funding for implementation of Transit Forward RI as adopted by the state planning council.

17 (d) The tax administrator shall promulgate rules and regulations necessary to implement

18 the provisions of this chapter.

1 (e) All disbursements and expenditures of funds from the restricted accounts subject to the
2 provisions of this section shall be by appropriation of the general assembly.

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

5 **44-18-18.2. Transportation network companies tax.**

6 All sales tax revenue collected from transportation network companies, as defined in § 44-
7 18-7.3, shall be deposited in a restricted receipt account for the benefit of the Rhode Island public
8 transit authority (RIPTA).

9 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO MOTOR AND OTHER VEHICLES -- RIDESHARE OR TRANSPORTATION
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1 This act would impose a seventy-five cent (\$0.75) surcharge on fares charged by rideshare
2 or transportation network companies. This act would also require that fifty percent (50%) of the
3 surcharge be deposited in a restricted account to be used for street improvements in the municipality
4 where the fare originated, and fifty percent (50%) of the surcharge be deposited in a restricted
5 account to fund Transit Forward RI. The tax administrator would promulgate rules and regulations
6 to implement the provisions of this chapter. The act would also establish a restricted receipt account
7 for the benefit of RIPTA funded by sales tax collected from ride-share companies such as Uber and
8 Lyft.

9 This act would take effect upon passage.

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