

# 2026 -- S 2099

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LC003285

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## STATE OF RHODE ISLAND

### IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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#### A N A C T

#### RELATING TO TAXATION -- SURPLUS FUNDS TAX CREDIT ACT

Introduced By: Senators Rogers, Paolino, E Morgan, and de la Cruz

Date Introduced: January 16, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 73

4 SURPLUS FUNDS TAX CREDIT ACT

5 44-73-1. Title.

6 This chapter shall be known and may be cited as the "Surplus Funds Tax Credit Act."

7 44-73-2. Tax credit resulting in taxpayer refund.

8 (a) If net state tax revenues in any fiscal year exceed the projected revenue estimates as  
9 contained in the budget for said fiscal year, the amount of such excess, as determined by the state  
10 budget officer and reported to the director of the department of revenue by September 1 of each  
11 fiscal year, shall result in a credit equal to the total amount of such excess. The credit shall be  
12 applied to the then current personal income tax liability of all taxpayers on a proportional basis to  
13 the personal income tax liability incurred by all taxpayers in the immediately preceding taxable  
14 year.

15 (b) Upon receipt of the report by the director required in subsection (a) of this section, the  
16 state budget officer shall then make the determination as to whether the net state tax revenue  
17 exceeds the projected revenue estimates as contained in the budget and by what amount, if any, on  
18 or before September 20 of each fiscal year.

19 (c) The excess shall be calculated, and the excess amount shall be refunded to the taxpayers

1     in proportion to the personal income tax liability incurred by the taxpayers in the immediately  
2     preceding taxable year. The percentage to determine the amount of the refund in dollars shall be  
3     calculated by the director.

4     **44-73-3. Enforceability by taxpayers.**

5     The supreme court or superior court may, upon the petition of not less than twenty-eight  
6     (28) taxable inhabitants of the state, not more than seven (7) of whom shall be from any one county,  
7     enforce the provisions of this chapter. If successful, said taxable inhabitants shall be entitled to  
8     recover reasonable attorneys' fees and other costs from the state incurred in maintaining such suit.

9     **44-73-4. Rules and regulations.**

10     The director shall take such action and shall have the authority to promulgate such rules  
11     and regulations as are necessary to implement the provisions of this chapter.

12     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 -- SURPLUS FUNDS TAX CREDIT ACT

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- 1        This act would mandate that any surplus state tax revenue received in any fiscal year would
- 2        be refunded to the taxpayers of this state on a proportional basis in relation to the personal income
- 3        tax liability incurred by the taxpayers in that fiscal year.
- 4        This act would take effect on July 1, 2026.

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