

2026 -- S 3250

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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 -- PERSONAL INCOME TAX

Introduced By: Senator Melissa A. Murray

Date Introduced: May 05, 2026

Referred To: Senate Finance

(RI Health Source)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-30-101 of the General Laws in Chapter 44-30 entitled "Personal
2 Income Tax" is hereby amended to read as follows:

3 **44-30-101. Requirements concerning qualifying health insurance coverage.**

4 (a) **Definitions.** For purposes of this section:

5 (1) "Applicable individual" has the same meaning as set forth in 26 U.S.C. § 5000A(d).

6 (2) "Minimum essential coverage" has the same meaning as set forth in 26 U.S.C. §
7 5000A(f).

8 (3) "Shared responsibility payment penalty" means the penalty imposed pursuant to
9 subsection (c) of this section.

10 (4) "Taxpayer" means any resident individual, as defined in § 44-30-5.

11 (b) **Requirement to maintain minimum essential coverage.** Every applicable individual
12 must maintain minimum essential coverage for each month beginning after December 31, 2019.

13 (c) **Shared responsibility payment penalty imposed for failing to maintain minimum**
14 **essential coverage.** As of January 1, 2020, every applicable individual required to file a personal
15 income tax return pursuant to § 44-30-51, shall indicate on the return, in a manner to be prescribed
16 by the tax administrator, whether and for what period of time during the relevant tax year the
17 individual and his or her spouse and dependents who are applicable individuals were covered by
18 minimum essential coverage. If a return submitted pursuant to this subsection fails to indicate that
19 coverage was in force or indicates that any applicable individuals did not have coverage in force, a

1 shared responsibility payment penalty shall hereby be assessed as a tax on the return.

2 (d) **Shared responsibility payment penalty calculation.** Except as provided in subsection
3 (e), the shared responsibility payment penalty imposed shall be equal to a taxpayer's federal shared
4 responsibility payment for the taxable year under section 5000A of the Internal Revenue Code of
5 1986, as amended, and as in effect on the 15th day of December 2017.

6 (e) **Exceptions.**

7 (1) *Penalty cap.* The amount of the shared responsibility payment penalty imposed under
8 this section shall be determined, if applicable, using the statewide average premium for bronze-
9 level plans offered through the Rhode Island health benefits exchange rather than the national
10 average premium for bronze-level plans.

11 (2) *Hardship exemption determinations.* Determinations as to hardship exemptions shall
12 be made by the exchange under § 42-157-11.

13 (3) *Religious conscience exemption determinations.* Determinations as to religious
14 conscience exemptions shall be made by the exchange under § 42-157-11.

15 (4) *Taxpayers with gross income below state filing threshold.* No penalty shall be imposed
16 under this section with respect to any applicable individual for any month during a calendar year if
17 the taxpayer's household income for the taxable year as described in section 1412(b)(1)(B) of the
18 Patient Protection and Affordable Care Act is less than the amount of gross income requiring the
19 taxpayer to file a return as set forth in § 44-30-51.

20 (5) *Out of state residents.* No penalty shall be imposed by this section with respect to any
21 applicable individual for any month during which the individual is a bona fide resident of another
22 state.

23 (6) *Individual on Medicaid.* No penalty shall be imposed by this section with respect to any
24 applicable individual who is enrolled in the Medicaid program through December 31, 2023.

25 (f) **Health insurance market integrity fund.** The tax administrator is authorized to
26 withhold from any state tax refund due to the taxpayer an amount equal to the calculated shared
27 responsibility payment penalty and shall place those amounts in the health insurance market
28 integrity fund created pursuant to § 42-157.1-5.

29 (g) **Deficiency.** If, upon examination of a taxpayer's return, the tax administrator
30 determines there is a deficiency because any refund due to the taxpayer is insufficient to satisfy the
31 shared responsibility penalty or because there was no refund due, the tax administrator may notify
32 the taxpayer of the deficiency in accordance with § 44-30-81 and interest shall accrue on the
33 deficiency as set forth in § 44-30-84. All monies collected on the deficiency shall be placed in the
34 health insurance market integrity fund created pursuant to § 42-157.1-5.

1 (h) **Application of federal law.** The shared responsibility payment penalty shall be
2 assessed and collected as set forth in this chapter and, where applicable, consistent with regulations
3 promulgated by the federal government, the exchange, and/or the tax administrator. Any federal
4 regulation implementing section 5000A of the Internal Revenue Code of 1986, as amended, and in
5 effect on the 15th day of December 2017, shall apply as though incorporated into the Rhode Island
6 code of regulations. Federal guidance interpreting these federal regulations shall similarly apply.
7 Except as provided in subsections (j) and (k) of this section, all references to federal law shall be
8 construed as references to federal law as in effect on December 15, 2017, including applicable
9 regulations and administrative guidance that were in effect as of that date.

10 (i) **Unavailability of federal premium tax credits.** For any taxable year in which federal
11 premium tax credits available pursuant to 26 U.S.C. § 36B become unavailable due to the federal
12 government repealing that section or failing to fund the premium tax credits, the shared
13 responsibility payment penalty under this section shall not be enforced.

14 (j) **Imposition of federal shared responsibility payment.** For any taxable year in which
15 a federal penalty under section 5000A of the Internal Revenue Code of 1986 is imposed on a
16 taxpayer in an amount comparable to the shared responsibility payment penalty assessed under this
17 section, the state penalty shall not be enforced.

18 (k) **Agency coordination.** Where applicable, the tax administrator shall implement this
19 section in consultation with the office of the health insurance commissioner, the office of
20 management and budget, the executive office of health and human services, and the Rhode Island
21 health benefits exchange.

22 [\(l\) **Data Sharing.** \(1\) Information to be disclosed. The tax administrator, upon written](#)
23 [request from the Rhode Island health benefits exchange, shall disclose to officers, employees, and](#)
24 [contractors of the Rhode Island health benefits exchange, with respect to any applicable individual](#)
25 [who indicated on a return that minimum essential coverage was not in force and did not opt out](#)
26 [under subsection \(l\)\(2\) of this section:](#)

27 [\(i\) The name, age, mailing address, and other contact information, such as email address](#)
28 [and phone number, if available, of such applicable individual.](#)

29 [\(2\) **Opt-Out.** Every applicable individual who indicates on a return that minimum essential](#)
30 [coverage required by subsection \(b\) of this section was not in force shall also indicate on the return,](#)
31 [in a manner prescribed by the tax administrator, whether the applicable individual wishes to opt](#)
32 [out of being contacted directly by the Rhode Island health benefits exchange about enrollment in](#)
33 [health coverage.](#)

34 [\(3\) **Definition of applicable year.** For purposes of this subsection, the term “applicable](#)

1 year” means the most recent taxable year for which information is available in the Rhode Island
2 department of revenue’s taxpayer data information systems, or, if there is no return filed for such
3 taxpayer for such year, the prior taxable year.

4 (4) **Restriction on use of disclosed information.** Return information disclosed under this
5 subsection may be used only for the purposes authorized by this subsection and § 42-157-13.

6 (5) **Privacy and Security.** The Rhode Island health benefits exchange and the tax
7 administrator shall develop a detailed set of data privacy and data security safeguards to govern the
8 conveyance of data between their agencies under this section. With respect to information disclosed
9 by the tax administrator to the Rhode Island health benefits exchange pursuant to this subsection,
10 the Rhode Island health benefits exchange, its officers, employees, and contractors, shall be subject
11 to § 44-30-95(c).

12 (6) **Sunset.** The authority of the tax administrator to disclose return information under
13 subsection (l)(1) of this section shall apply only to tax years beginning on or after January 1, 2026,
14 and ending on or before December 31, 2027. No return information shall be disclosed pursuant to
15 subsection (l)(1) of this section with respect to any other tax years.

16 (i) The expiration of authority under subsection (l)(6) of this section shall not impair or
17 limit the authority of the Rhode Island health benefits exchange to retain or use return information
18 lawfully obtained under this section with respect to tax years beginning on or after January 1, 2026,
19 and ending on or before December 31, 2027, for the purposes specified in subsection (l)(4) of this
20 section through December 31, 2029. By January 1, 2030, the Rhode Island health benefits exchange
21 shall delete and destroy all return information disclosed pursuant to subsection (l)(1) of this section
22 from its system, files, and any databases.

23 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 -- PERSONAL INCOME TAX

1 This act would provide proper authority for the division of taxation to provide
2 HealthSource RI with contact information for Rhode Islanders who report they were uninsured on
3 their HealthSource RI state income tax return unless the applicable individual wishes to opt out of
4 being contacted directly by HealthSourceRI about enrollment in health coverage.

5 This act would take effect upon passage.

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