

2023 -- H 6387

LC002954

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

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

Introduced By: Representatives Vella-Wilkinson, Batista, Casimiro, Perez, McEntee,
Diaz, and Noret

Date Introduced: May 10, 2023

Referred To: House 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 **44-18-18.2. Alcohol Tax.**

4 (a) This section shall be known and may be cited as "The Alcohol Treatment Support Act".

5 (b) The purpose of this section is to establish a tax on alcohol to fund drug and alcohol
6 treatment centers in the State of Rhode Island and to provide financial support for individuals
7 seeking treatment for drug and alcohol addiction.

8 (c) There is hereby imposed a sales tax on all alcohol sold within the State of Rhode Island
9 at the rate of one percent.

10 (d) The tax imposed under subsection (c) of this section shall be paid by the distributor or
11 seller of the alcohol, and shall be collected at the time of sale.

12 (e) The tax imposed under subsection (c) of this section shall be in addition to any other
13 taxes imposed on the sale of all alcohol.

14 (f)(1) The proceeds of the alcohol tax imposed under subsection (c) of this section shall be
15 deposited into the drug and alcohol treatment support fund, established as a special fund to provide
16 financial support for individuals seeking treatment for drug and alcohol addiction.

17 (2) The funds deposited into the drug and alcohol treatment support fund shall be allocated
18 to drug and alcohol treatment centers in this state.

1 (g)(1) The State of Rhode Island shall establish a seven (7) member board of Rhode Island
2 citizens who are not state employees nor state office holders to administer the fund.

3 (2) The citizen board shall serve as a dedicated and responsible steward of the treatment
4 fund, ensuring that it is being used to provide high-quality and effective drug and alcohol treatment
5 services to individuals in need.

6 (3) The citizen board shall oversee the allocation of funds from the treatment fund to
7 various treatment centers and organizations that provide drug and alcohol treatment services to
8 individuals in need.

9 (4) The citizen board shall regularly evaluate the performance and effectiveness of the
10 treatment centers that receive funding from the treatment fund. This evaluation may include
11 monitoring the quality of care provided, patient satisfaction rates, and treatment outcomes.

12 (5) The citizen board shall establish eligibility criteria for individuals seeking financial
13 assistance from the treatment fund. These criteria may include criteria related to income, residency,
14 and severity of drug and alcohol addiction.

15 (6) The citizen board shall review and either approve or deny applications from treatment
16 centers seeking financial assistance from the treatment fund. This review may involve verifying
17 eligibility criteria, evaluating the proposed treatment plan, and determining the amount of financial
18 assistance to be provided.

19 (h) The citizen board shall ensure that the treatment fund is being managed in a responsible
20 and transparent manner. This oversight may involve reviewing financial statements, monitoring
21 expenses, and ensuring that funds are being used for their intended purposes.

22 (i) The citizen board shall engage in public outreach and education efforts to raise
23 awareness about the treatment fund and its availability to individuals in need of drug and alcohol
24 treatment. This outreach may include developing informational materials, hosting community
25 events, and collaborating with local organizations to reach underserved populations.

26 (j) The citizen board shall provide regular reports to all relevant government agencies
27 regarding the status of the treatment fund, including the allocation of funds, treatment outcomes,
28 and any challenges faced by the board in fulfilling its duties.

29 (k)(1) To be eligible for financial support from the drug and alcohol treatment support fund,
30 an individual must be seeking treatment for drug or alcohol addiction at a treatment center that
31 receives funds from the support fund.

32 (2) The financial support provided by the drug and alcohol treatment support fund shall be
33 used to cover the cost of treatment, including, but not limited to, medication, therapy and other
34 related services.

1 (l)(1) The drug and alcohol treatment centers shall be operated by qualified nonprofit or
2 for-profit organizations that specialize in drug and alcohol treatment.

3 (2) The drug and alcohol treatment centers shall provide treatment services to individuals
4 who are seeking treatment for drug or alcohol addiction.

5 (3) The department of health shall establish minimum standards, rules and regulations for
6 the operation of the drug and alcohol treatment centers.

7 (m)(1) The distributor or seller of alcohol shall report and remit the tax imposed under
8 subsection (c) of this section to the department of revenue on a monthly basis.

9 (2) The department of revenue shall audit the distributor or seller of alcohol to ensure
10 compliance with this chapter at least once per calendar year.

11 (n) Severability. If any provision of this section or the application thereof to any person or
12 circumstances is held invalid, the invalidity shall not affect other provisions or applications of this
13 section which can be given effect without the invalid provision or application, and to this end, the
14 provisions of this section are severable.

15 SECTION 2. This act shall take effect on January 1, 2024.

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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

1 This act would establish the drug and alcohol treatment support fund and provide funding
2 by imposing a one percent sales tax on all alcohol sold in Rhode Island by a distributor or seller.
3 The fund would be administered with funds disbursed by a seven (7) member citizens board to drug
4 and alcohol treatment centers providing treatment to individuals in need.

5 This act would take effect on January 1, 2024.

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