

2024 -- S 3056

LC005671

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- RHODE ISLAND BUSINESS CORPORATION ACT

Introduced By: Senator Dawn M. Euer

Date Introduced: May 07, 2024

Referred To: Senate Judiciary

(Secretary of State)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 7-1.2 of the General Laws entitled "Rhode Island Business
2 Corporation Act" is hereby amended by adding thereto the following section:

3 **7-1.2-1805. Confirmation of state fees and taxes.**

4 (a) Notwithstanding any other provisions of the general laws, when any section of this
5 chapter refers to state fees and/or taxes paid as required by § 44-11-2, the division of taxation is
6 authorized to respond and share tax information with the secretary of state's office in response to a
7 request from that office regarding an entity's tax status as compliant or noncompliant.

8 (b) If the secretary of state's office receives notice from the division of taxation that the
9 corporation has failed to pay any fees or taxes due to this state, the secretary of state shall issue
10 notice and begin revocation proceedings in accordance with the provisions of §§ 7-1.2-1310 or 7-
11 1.2-1414.

12 (c) The notice of revocation may state as the basis for revocation that the taxpayer failed
13 to pay state fees and/or taxes as required by § 44-11-2 to the division of taxation. However, the
14 secretary of state's office must otherwise protect all state and federal tax information in its custody
15 as required by § 44-11-26.1 and refrain from disclosing any other specific tax information.

16 (d) For filings remitted and recorded in accordance with any section of this chapter that
17 refer to state fees and/or taxes paid as required by § 44-11-2, the secretary of state's office may
18 request from the division of taxation a tax status check as outlined in subsection (a) of this section.

1 [If the secretary of state's office receives notice from the division of taxation that the corporation](#)
2 [has failed to pay any fees or taxes due to this state, the secretary of state shall begin revocation](#)
3 [proceedings in accordance with subsections \(b\) and \(c\) of this section.](#)

4 SECTION 2. Section 7-12.1-915 of the General Laws in Chapter 7-12.1 entitled "Uniform
5 Partnership Act" is hereby amended to read as follows:

6 **7-12.1-915. Confirmation of state fees and taxes.**

7 (a) Notwithstanding any other provisions of the Rhode Island general laws, when any
8 section of this chapter refers to state fees and/or taxes paid [as required by § 7-12.1-914](#), the division
9 of taxation is authorized to respond and share tax information with the secretary of state's office in
10 response to a request from that office regarding an entity's tax status as compliant or noncompliant.

11 (b) If the secretary of state's office receives notice from the division of taxation that the
12 limited liability partnership has failed to pay any fees or taxes due this state, the secretary of state
13 shall [issue notice and](#) begin revocation proceedings in accordance with the provisions of § 7-12.1-
14 903.

15 (c) The notice of revocation may state as the basis for revocation that the taxpayer failed
16 to pay state fees and/or taxes to the division of taxation. However, the secretary of state's office
17 must otherwise protect all state and federal tax information in its custody as required by § 7-12.1-
18 916 and refrain from disclosing any other specific tax information.

19 [\(d\) The secretary of state's office may request from the division of taxation a tax status](#)
20 [check as outlined in subsection \(a\) of this section. If the secretary of state's office receives notice](#)
21 [from the division of taxation that the limited liability partnership has failed to pay any fees or taxes](#)
22 [due to this state as required by § 7-12.1-914, the secretary of state shall begin revocation](#)
23 [proceedings in accordance with subsections \(b\) and \(c\) of this section.](#)

24 SECTION 3. Section 7-13.1-214 of the General Laws in Chapter 7-13.1 entitled "Uniform
25 Limited Partnership Act" is hereby amended to read as follows:

26 **7-13.1-214. Confirmation of state fees and taxes.**

27 (a) Notwithstanding any other provisions of ~~state law to the contrary~~ [the general laws](#), when
28 any section of this chapter refers to state fees and/or taxes paid [as required by § 7-13.1-213](#), the
29 division of taxation is authorized to respond and share tax information with the secretary of state's
30 office in response to a request from that office regarding an entity's tax status as compliant or
31 noncompliant.

32 (b) If the secretary of state's office receives notice from the division of taxation that the
33 limited ~~liability company~~ [partnership](#) has failed to pay any fees or taxes due this state, the secretary
34 of state shall [issue notice and](#) begin revocation proceedings in accordance with the provisions of §

1 7-13.1-811.

2 (c) The notice of revocation may state as the basis for revocation that the taxpayer failed
3 to pay state fees and/or taxes to the division of taxation. However, the secretary of state's office
4 must otherwise protect all state and federal tax information in its custody as required by § 7-13.1-
5 215 and refrain from disclosing any other specific tax information.

6 (d) The secretary of state's office may request from the division of taxation a tax status
7 check as outlined in subsection (a) of this section. If the secretary of state's office receives notice
8 from the division of taxation that the limited partnership has failed to pay any fees or taxes due to
9 this state as required by § 7-13.1-213, the secretary of state shall issue notice and begin revocation
10 proceedings in accordance with subsections (b) and (c) of this section.

11 SECTION 4. Section 7-16-67.1 of the General Laws in Chapter 7-16 entitled "The Rhode
12 Island Limited Liability Company Act" is hereby amended to read as follows:

13 **7-16-67.1. Revocation of articles or authority to transact business for nonpayment of**
14 **fee.**

15 (a) The tax administrator may, after July 15 of each year, ~~make-up~~ compile a list of all
16 limited liability companies that have failed to pay the fee defined in § 7-16-67 for one year after
17 the fee became due and payable, and the failure is not the subject of a pending appeal. The tax
18 administrator shall certify to the correctness of the list. Upon receipt of the certified list, the
19 secretary of state may initiate revocation proceedings as defined in § 7-16-41.

20 (b) With respect to any information provided by the division of taxation to the secretary of
21 ~~state~~ state's office pursuant to this chapter, the secretary of state, together with the employees or
22 agents thereof, shall be subject to all state and federal tax confidentiality laws applying to the
23 division of taxation and the officers, agents, and employees thereof, and which restrict the
24 acquisition, use, storage, dissemination, or publication of confidential taxpayer data.

25 (c) Notwithstanding the provisions of subsection (a) or (b) of this section, the notice of
26 revocation may state as the basis for revocation that the taxpayer has failed to pay state fees and/or
27 taxes to the division of taxation as required by § 7-16-67. However, the secretary of state's office
28 must otherwise protect all state and federal tax information in its custody as required by subsection
29 (b) of this section and refrain from disclosing any other specific tax information.

30 SECTION 5. Chapter 7-16 of the General Laws entitled "The Rhode Island Limited
31 Liability Company Act" is hereby amended by adding thereto the following section:

32 **7-16-77. Confirmation of state fees and taxes.**

33 (a) Notwithstanding any other provisions of the general laws, when any section of this
34 chapter refers to state fees and/or taxes paid as required by § 7-16-67, the division of taxation is

1 authorized to respond and share tax information with the secretary of state's office in response to a
2 request from that office regarding an entity's tax status as compliant or noncompliant.

3 (b) If the secretary of state's office receives notice from the division of taxation that the
4 limited liability company has failed to pay any fees or taxes due to this state, the secretary of state
5 shall issue notice and begin revocation proceedings in accordance with the provisions of § 7-16-
6 41.

7 (c) The notice of revocation may state as the basis for revocation that the taxpayer failed
8 to pay state fees and/or taxes to the division of taxation as required by § 7-16-67. However, the
9 secretary of state's office must otherwise protect all state and federal tax information in its custody
10 as required by § 7-16-67.1 and refrain from disclosing any other specific tax information.

11 (d) For filings remitted and recorded in accordance with any section of this chapter that
12 refers to state fees and/or taxes paid as required by § 7-16-67, the secretary of state's office may
13 request from the division of taxation a tax status check as outlined in subsection (a) of this section.
14 If the secretary of state's office receives notice from the division of taxation that the limited liability
15 company has failed to pay any fees or taxes due to this state, the secretary of state shall begin
16 revocation proceedings in accordance with subsections (b) and (c) of this section.

17 SECTION 6. Section 44-11-26.1 of the General Laws in Chapter 44-11 entitled "Business
18 Corporation Tax" is hereby amended to read as follows:

19 **44-11-26.1. Revocation of articles or authority to transact business for nonpayment**
20 **of tax.**

21 (a) The tax administrator may, after July 15 of each year, ~~make-up~~ compile a list of all
22 corporations that have failed to pay the corporate tax defined in § 44-11-2 for one year after the tax
23 became due and payable, and the failure is not the subject of a pending appeal. The tax administrator
24 shall certify to the correctness of the list. Upon receipt of the certified list, the secretary of state
25 ~~may~~ shall issue notice and initiate revocation proceedings as defined in §§ 7-1.2-1310 and 7-1.2-
26 1414.

27 (b) With respect to any information provided by the division of taxation to the secretary of
28 ~~state~~ state's office pursuant to this chapter, the secretary of state, together with the employees or
29 agents thereof, shall be subject to all state and federal tax confidentiality laws applying to the
30 division of taxation and the officers, agents, and employees thereof, and which restrict the
31 acquisition, use, storage, dissemination, or publication of confidential taxpayer data.

32 (c) Notwithstanding the provisions of subsections (a) or (b) of this section, the notice of
33 revocation may state as the basis for revocation that the taxpayer has failed to pay state fees and/or
34 taxes to the division of taxation as required by § 44-11-2. However, the secretary of state's office

1 [must otherwise protect all state and federal tax information in its custody as required by subsection](#)
2 [\(b\) of this section and refrain from disclosing any other specific tax information.](#)

3 SECTION 7. This act shall take effect on January 1, 2025.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- RHODE
ISLAND BUSINESS CORPORATION ACT

- 1 This act would allow the sharing of certain information between the division of taxation
- 2 and the secretary of state's office regarding an entity's tax status as compliant or non-compliant.
- 3 This act would take effect on January 1, 2025.

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