

2025 -- S 0895

LC002554

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO TAXATION -- PUBLIC SERVICE CORPORATION TAX

Introduced By: Senators Patalano, Dimitri, Ciccone, Burke, Raptakis, Thompson, Britto, Appollonio, Vargas, and Gallo

Date Introduced: March 27, 2025

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-13-4 of the General Laws in Chapter 44-13 entitled "Public  
2 Service Corporation Tax" is hereby amended to read as follows:

3 **44-13-4. Rate of taxation.**

4 The tax imposed will be at the following rates:

5 (1) In the case of every corporation whose principal business is a steamboat or ferryboat  
6 business as a common carrier, every common carrier steam or electric railroad corporation, every  
7 street railway corporation, every common carrier dining, sleeping, chair, or parlor car corporation,  
8 every corporation whose principal business is selling and distributing water to the public, and every  
9 toll bridge corporation, one and one-fourth percent (1.25%) of its gross earnings;

10 (2) In the case of every corporation whose principal business is manufacturing, selling,  
11 distributing and/or transmitting currents of electricity to be used for light, heat, or motive power,  
12 four percent (4%) of its gross earnings, but deductions shall be made of gross earnings from the  
13 transmission or sale of electricity to other public utility corporations, non-regulated power  
14 producers, or municipal utilities for resale, whether within or outside of this state; provided, that  
15 the tax measured by the portion of the utility's gross earnings as is derived from the manufacture  
16 and sale of illuminating and heating gas and its by-products and the merchandising of gas  
17 appliances shall be computed at the rate of three percent (3%); Notwithstanding the above, on and  
18 after January 1, 2026, the rate of tax set forth in subsection (2) of this section shall be suspended  
19 until January 1, 2035;

1           (3) In the case of every express corporation carrying on its business on steamboats, steam  
2 or electric railroads, or street railways and of every public service corporation whose principal  
3 business is that of a telegraph corporation, four percent (4%) of its gross earnings;

4           (4) In the case of every telecommunications corporation providing telecommunications  
5 service, ten percent (10%) of its gross earnings; provided, that the rate shall be nine percent (9%)  
6 effective July 1, 1985, eight percent (8%) effective July 1, 1986, seven percent (7%) effective July  
7 1, 1987, six percent (6%) effective July 1, 1988, and five percent (5%) effective July 1, 1997. For  
8 purposes of this chapter, "telecommunications service" means the transmission of any interactive  
9 two-way electromagnetic communications including voice, image, data, and other information, by  
10 means of wire, cable, including fiber optical cable, microwave, and radio wave, or any  
11 combinations of these media. This definition does not include value added non-voice services in  
12 which computer processing applications are used to act on the form, content, code, and protocol of  
13 the information to be transmitted;

14           (5) In the case of every public service cable corporation, eight percent (8%) of its gross  
15 earnings;

16           (6) In the case of every corporation whose principal business is manufacturing, selling  
17 and/or distributing to the public illuminating or heating gas, three percent (3%) of its gross earnings.

18           SECTION 2. This act shall take effect on January 1, 2026.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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- 1           This act would suspend the gross earnings tax on electric and gas companies until January
- 2 1, 2035.
- 3           This act would take effect on January 1, 2026.

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