

1 **ARTICLE 6**

2 **RELATING TO TAXES AND FEES**

3 SECTION 1. Chapter 3-6 of the General Laws entitled "Manufacturing and Wholesale
4 Licenses" is hereby amended by adding thereto the following section:

5 **3-6-18. License fee relief.**

6 If the holder of a manufacturer's license obtains a rectifier's license or another type of
7 manufacturer's license for further operations at the same premises, the department will waive the
8 license fee for the additional license.

9 SECTION 2. Section 5-20.5-11 of the General Laws in Chapter 5-20.5 entitled "Real Estate
10 Brokers and Salespersons" is hereby amended to read as follows:

11 **5-20.5-11. Fees and license renewals.**

12 (a) The following fees shall be charged by the director:

13 (1) For each application, a fee of ten dollars (\$10.00);

14 (2) For each examination, a fee, the cost of which is limited to the charge as designated by
15 the
16 appropriate testing service's contract with the department of business regulation;

17 (3) For each original broker's license issued, a fee of eighty-five dollars (\$85.00) per
18 annum for the term of the license and for each annual renewal of the license, a fee of eighty-five
19 dollars (\$85.00) per annum for the term of renewal. The total fees for the term of initial licensure
20 and of renewal must be paid at the time of application for the license;

21 (4) For each original salesperson's license issued, a fee of sixty-five dollars (\$65.00) per
22 annum for the term of the license and for each renewal of the license, a fee of sixty-five dollars
23 (\$65.00) per annum for the term of the license. The total fees for the term of initial licensure and
24 of renewal must be paid at the time of application for the license;

25 ~~(5) For each change from one broker to another broker by a salesperson, or a broker, a fee~~
26 ~~of twenty five dollars (\$25.00), to be paid by the salesperson or the broker;~~

27 (65) For each broker's license reinstated after its expiration date, a late fee of one hundred
28 dollars (\$100), in addition to the required renewal fee;

29 (76) For each salesperson's license reinstated after its expiration date, a late fee of one
30 hundred dollars (\$100) in addition to the required renewal fee.

31 (b) Every licensed real estate broker and salesperson who desires to renew a license for the
32 succeeding year term shall apply for the renewal of the license upon a form furnished by the director
33 and containing information that is required by the director. Any renewal of a license is subject to
34 the same provisions covering issuance, suspension, and revocation of any license originally issued.

1 At no time shall any license be renewed without examination if the license has expired beyond a
2 period of
3 one year.

4 SECTION 3. Sections 11-9-13.4, 11-9-13.13, 11-9-13.15, and 11-9-13.20 of the General
5 Laws in Chapter 11-9 entitled "Children" are hereby amended to read as follows:

6 **11-9-13.4. Definitions.**

7 As used in this chapter:

8 (1) "Bidi cigarette" means any product that (i) Contains tobacco that is wrapped in
9 temburni or tender leaf, or that is wrapped in any other material identified by rules of the department
10 of health that is similar in appearance or characteristics to the temburni or tender leaf, and (ii) Does
11 not contain a smoke filtering device.

12 (2) "Court" means any appropriate district court of the state of Rhode Island.

13 (3) "Dealer" is synonymous with the term "retail tobacco products dealer."

14 (4) "Department of behavioral healthcare, developmental disabilities and hospitals" means
15 the state of Rhode Island behavioral healthcare, developmental disabilities and hospitals
16 department, its employees, agents, or assigns.

17 (5) "Department of taxation" means the state of Rhode Island taxation division, its
18 employees, agents, or assigns.

19 (6) "Electronic nicotine-delivery system" means an electronic device that may be used to
20 simulate smoking in the delivery of nicotine or other substance to a person inhaling from the device,
21 and includes, but is not limited to, an electronic cigarette, electronic cigar, electronic cigarillo,
22 electronic little cigars, electronic pipe, or electronic hookah, "heat not burn products," e-liquids, e-
23 liquid products, or any related device and any cartridge or other component of such device.

24 (7) "Electronic nicotine-delivery system product" means any combination of electronic
25 nicotine-delivery system and/or e-liquid and/or any derivative thereof, and/or any e-liquid
26 container. Electronic nicotine-delivery system products shall ~~not~~ include hemp-derived consumable
27 cannabidiol (CBD) products as defined in § 2-26-3.

28 (8) "E-liquid" and "e-liquid products" means any liquid or substance placed in or sold for
29 use in an electronic nicotine-delivery system that generally utilizes a heating element that
30 aerosolizes, vaporizes, or combusts a liquid or other substance containing nicotine or nicotine
31 derivative:

32 (i) Whether the liquid or substance contains nicotine or a nicotine derivative; or

33 (ii) Whether sold separately or sold in combination with a personal vaporizer, electronic
34 nicotine-delivery system, or an electronic inhaler.

1 (9) “License” is synonymous with the term “retail tobacco products dealer license” or
2 “electronic nicotine-delivery system license” or any license issued under chapter 20 of title 44 ~~or~~
3 ~~chapter 1 of title 23.~~

4 (10) “License holder” is synonymous with the term “retail tobacco products dealer” or
5 “electronic nicotine-delivery system license” or any licenses issued under chapter 20 of title 44 ~~or~~
6 ~~chapter 1 of title 23.~~

7 (11) “Little cigars” means and includes any roll, made wholly or in part of tobacco,
8 irrespective of size or shape, and irrespective of whether the tobacco is flavored, adulterated, or
9 mixed with any other ingredient, where such roll has a wrapper or cover made of tobacco wrapped
10 in leaf tobacco or any substance containing tobacco paper or any other material and where such roll
11 has an integrated filter, except where such wrapper is wholly or in greater part made of tobacco and
12 where such roll has an integrated filter and weighs over four (4) pounds per thousand (1,000).

13 (12) “Person” means any individual person, firm, fiduciary, partnership, trust, association,
14 or corporation licensed as a retail dealer to sell tobacco products within the state.

15 (13) “Retail tobacco products dealer” means the holder of a license to sell tobacco products
16 at retail and shall include holders of all other licenses issued under chapter 20 of title 44 ~~or chapter~~
17 ~~1 of title 23.~~

18 (14) “Retail tobacco products dealer license” means a license to sell tobacco products
19 and/or electronic nicotine-delivery system products as defined in section 44-20-1(7) at retail as
20 issued by the department of taxation.

21 (15) “Spitting tobacco” also means snuff, powdered tobacco, chewing tobacco, dipping
22 tobacco, pouch tobacco, or smokeless tobacco.

23 (16) “Tobacco product(s)” means any product(s) containing, made of, or derived from
24 tobacco or nicotine that is intended for human consumption or is likely to be consumed, whether
25 inhaled, absorbed, or ingested by any other means, including, but not limited to, a cigarette, a little
26 cigar as defined in § 44-20.2-1, and any and all products as defined in § 44-20-1, electronic nicotine-
27 delivery system products, or any added substance that may be aerosolized, vaporized, or otherwise
28 delivered by such an electronic nicotine-delivery system device, whether or not that substance
29 contains nicotine.

30 (i) “Tobacco product(s)” does not include drugs, devices, or combination products
31 intended to treat tobacco or nicotine dependence that are authorized by the United States Food and
32 Drug Administration, as those terms are defined in the Federal Food, Drug and Cosmetic Act. Nor
33 does it include such authorized drugs, devices, or combination products with such treatment
34 purpose by individuals under age twenty-one (21) if prescribed by a licensed prescriber such as a

1 physician, nurse practitioner, or physician assistant.

2 (17) “Underage individual” or “underage individuals” means any individual under the age
3 of twenty-one (21).

4 **11-9-13.13. Nature and size of penalties.**

5 (a) Any license holder who violates a requirement of § 11-9-13.6(2) or § 11-9-13.7, display
6 of specific signage, shall be subject to a fine in court of not less than thirty-five dollars (\$35.00),
7 nor more than five hundred dollars (\$500), per civil violation.

8 (b) The license holder is responsible for all violations of this section that occur at the
9 location for which the license is issued. Any license holder who or that violates the prohibition of
10 § 11-9-13.8(1) or § 11-9-13.20 shall be subject to civil fines as follows:

11 (1) A fine of two hundred fifty dollars (\$250) for the first violation within any thirty-six-
12 month (36) period;

13 (2) A fine of five hundred dollars (\$500) for the second violation within any thirty-six-
14 month (36) period;

15 (3) A fine of one thousand dollars (\$1,000) and a fourteen-day (14) suspension of the
16 license to sell tobacco products or electronic nicotine-delivery systems for the third violation within
17 any thirty-six-month (36) period;

18 (4) A fine of one thousand five hundred dollars (\$1,500) and a ninety-day (90) suspension
19 of the license to sell tobacco products or electronic nicotine-delivery systems for each violation in
20 excess of three (3).

21 (c) Any person who or that violates a prohibition of § 11-9-13.8(3), sale of single cigarettes;
22 or § 11-9-13.8(2), regarding factory-wrapped packs as sealed and certified by the manufacturer;
23 shall be subject to a penalty of five hundred dollars (\$500) for each violation.

24 (d) The department of taxation ~~and/or the department of health~~ shall not issue a license to
25 any individual, business, firm, fiduciary, partnership, trust, association, or corporation, the license
26 of which has been revoked or suspended; to any corporation, an officer of which has had his or her
27 license revoked or suspended; or to any individual who is, or has been, an officer of a corporation
28 the license of which has been revoked or suspended so long as such revocations or suspensions are
29 in effect.

30 (e) The court may suspend the imposition of a license suspension of the license secured
31 from the Rhode Island tax administrator or department of health for a violation of subsections (b)(3)
32 and (b)(4) of this section if the court finds that the license holder has taken measures to prevent the
33 sale of tobacco products, including electronic nicotine-delivery system products, to an underage
34 individual and the license holder can demonstrate to the court that those measures have been taken

1 and that employees have received training. No person or individual shall sell tobacco products,
2 including electronic nicotine-delivery system products, at retail without first being trained in the
3 legal sale of tobacco products, including electronic nicotine-delivery system products. Training
4 shall teach employees what constitutes a tobacco product, including an electronic nicotine-delivery
5 system product; legal age of sale; acceptable identification; how to refuse a direct sale to an
6 underage individual or secondary sale to an individual twenty-one (21) years or older; and all
7 applicable laws on tobacco sales and distribution. Dealers shall maintain records indicating that the
8 provisions of this section were reviewed with all employees who conduct, or will conduct, tobacco
9 product sales, including electronic nicotine-delivery system product sales. Each employee who
10 sells or will sell tobacco products, including electronic nicotine-delivery system products, shall sign
11 an acknowledgement form attesting that the provisions of this section were reviewed with him or
12 her. Each form shall be maintained by the retailer for as long as the employee is so employed and
13 for no less than one year after termination of employment. The measures to prevent the sale of
14 tobacco products, including electronic nicotine-delivery system products, to underage individuals
15 shall be defined by the department of behavioral healthcare, developmental disabilities and
16 hospitals in rules and regulations.

17 **11-9-13.15. Penalty for operating without a dealer license.**

18 (a) Any individual or business who or that violates this chapter by selling or conveying a
19 tobacco product or electronic nicotine-delivery system product without a retail tobacco products
20 dealer license shall be cited for that violation and shall be required to appear in court for a hearing
21 on the citation.

22 (b) Any individual or business cited for a violation under this section of this chapter shall:

23 (1) Either post a two-thousand-five-hundred-dollar (\$2,500) bond with the court within ten
24 (10) days of the citation; or

25 (2) Sign and accept the citation indicating a promise to appear in court.

26 (c) An individual or business who or that has accepted the citation may:

27 (1) Pay a ten-thousand-dollar (\$10,000) fine, either by mail or in person, within ten (10)
28 days after receiving the citation; or

29 (2) If that individual or business has posted a bond, forfeit the bond by not appearing at the
30 scheduled hearing. If the individual or business cited pays the ten-thousand-dollar (\$10,000) fine
31 or forfeits the bond, that individual or business is deemed to have admitted the cited violation and
32 to have waived the right to a hearing on the issue of commission on the violation.

33 (d) The court after a hearing on a citation shall make a determination as to whether a
34 violation has been committed. If it is established that the violation did occur, the court shall impose

1 a ten-thousand-dollar (\$10,000) fine, in addition to any court costs or other court fees.

2 **11-9-13.20. Packaging of electronic nicotine-delivery system liquid.**

3 (a) No liquid, whether or not such liquid contains nicotine, that is intended for human
4 consumption and used in an electronic nicotine-delivery system, as defined in § 11-9-13.4, shall be
5 sold unless the liquid is contained in child-resistant packaging.

6 (b) Any liquid nicotine container that is sold at retail in this state must satisfy the child-
7 resistant effectiveness standards set forth in 16 C.F.R. § 1700.15(b), when tested in accordance
8 with the method described in 16 C.F.R. § 1700.20. All licensees under ~~§ 23-1-56~~ § 44-20-2 shall
9 ensure that any liquid sold by the licensee intended for human consumption and used in an
10 electronic-nicotine delivery system, as defined in § 11-9-13.4, is sold in a liquid nicotine container
11 that meets the requirements described and referenced in this subsection.

12 (c) For the purposes of this section, “liquid nicotine container” means a bottle or other
13 container of a liquid or other substance where the liquid or substance is sold, marketed, or intended
14 for use in a vapor product. A “liquid nicotine container” does not include a liquid or other substance
15 in a cartridge that is sold, marketed, or intended for use in a vapor product, provided that such
16 cartridge is prefilled and sealed by the manufacturer and not intended to be opened by the consumer.

17 (d) Any licensee or any person required to be licensed under ~~§ 23-1-56~~ § 44-20-2 who or
18 that fails to comply with this section shall be subject to the penalties provided in § 11-9-13.13.

19 (e) The licensee is responsible for all violations of this section that occur at the location for
20 which the license is issued.

21 (f) No licensee or person shall be found in violation of this section if the licensee or person
22 relied in good faith on documentation provided by or attributed to the manufacturer of the
23 packaging of the aforementioned liquid that such packaging meets the requirements of this section.

24 (g) On or after October 1, 2024, any product found to be in violation of this chapter shall
25 be considered contraband and subject to the confiscation provisions outlined in § 44-20-15.

26 SECTION 4. Section 16-21.2-5 of the General Laws in Chapter 16-21.2 entitled "The
27 Rhode Island Substance Abuse Prevention Act" is hereby repealed:

28 **~~16-21.2-5. Funding of substance abuse prevention program.~~**

29 ~~(a) Money to fund the Rhode Island Substance Abuse Prevention Act shall be appropriated~~
30 ~~from state general revenues and shall be raised by assessing an additional penalty of thirty dollars~~
31 ~~(\$30.00) for all speeding violations as set forth in § 31-43-5.1. The money shall be deposited as~~
32 ~~general revenues. The department of behavioral healthcare, developmental disabilities and~~
33 ~~hospitals may utilize up to ten percent (10%) of the sums appropriated for the purpose of~~
34 ~~administering the substance abuse prevention program.~~

1 ~~(b) Grants made under this chapter shall not exceed money available in the substance abuse~~
2 ~~prevention program.~~

3 SECTION 5. Section 16-21.3-3 of the General Laws in Chapter 16-21.3 entitled "The
4 Rhode Island Student Assistance Junior High/Middle School Act" is hereby repealed:

5 ~~**16-21.3-3. Funding of junior high/middle school student assistance program.**~~

6 ~~(a) Money to fund this program shall be raised by assessing an additional substance abuse~~
7 ~~prevention assessment of thirty dollars (\$30.00) for all moving motor vehicle violations handled~~
8 ~~by the traffic tribunal including, but not limited to, those violations set forth in § 31-41.1-4, except~~
9 ~~for speeding. The money shall be deposited in a restricted purpose receipt account separate from~~
10 ~~all other accounts within the department of behavioral healthcare, developmental disabilities and~~
11 ~~hospitals. The restricted purpose receipt account shall be known as the junior high/middle school~~
12 ~~student assistance fund and the traffic tribunal shall transfer money from the junior high/middle~~
13 ~~school student assistance fund to the department of behavioral healthcare, developmental~~
14 ~~disabilities and hospitals for the administration of the Rhode Island Student Assistance Junior~~
15 ~~High/Middle School Act.~~

16 ~~(b) The department of behavioral healthcare, developmental disabilities and hospitals may~~
17 ~~utilize up to ten percent (10%) of the sums collected from the additional penalty for the purpose of~~
18 ~~administering the program.~~

19 SECTION 6. Effective October 1, 2024, Sections 23-1-55, 23-1-56, 23-1-57, and 23-1-58
20 of the General Laws in Chapter 23-1 entitled "Department of Health" are hereby repealed.

21 ~~**23-1-55. Electronic nicotine delivery system distributor, and dealer licenses required**~~
22 ~~**— Definitions.**~~

23 ~~Definitions. Whenever used in §§ 23-1-56 to 23-1-58, unless the context requires~~
24 ~~otherwise:~~

25 ~~(1) "Dealer" means any person, whether located within or outside of this state, who sells~~
26 ~~or distributes electronic nicotine delivery system products to a consumer in this state;~~

27 ~~(2) "Distributor" means any person:~~

28 ~~(i) Whether located within or outside of this state, other than a dealer, who sells or~~
29 ~~distributes electronic nicotine delivery system products within or into this state. Such term shall~~
30 ~~not include any electronic nicotine delivery system products manufacturer, export warehouse~~
31 ~~proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine~~
32 ~~delivery system products in this state only to licensed distributors or to an export warehouse~~
33 ~~proprietor or another manufacturer with a valid permit;~~

34 ~~(ii) Selling electronic nicotine delivery system products directly to consumers in this state~~

1 ~~by means of at least twenty five (25) electronic nicotine delivery system product vending~~
2 ~~machines;~~

3 ~~(iii) Engaged in this state in the business of manufacturing electronic nicotine delivery~~
4 ~~system products or any person engaged in the business of selling electronic nicotine delivery~~
5 ~~system products to dealers, or to other persons, for the purpose of resale only; provided that seventy-~~
6 ~~five percent (75%) of all electronic nicotine delivery system products sold by that person in this~~
7 ~~state are sold to dealers or other persons for resale and selling electronic nicotine delivery system~~
8 ~~products directly to at least forty (40) dealers or other persons for resale; or~~

9 ~~(iv) Maintaining one or more regular places of business in this state for that purpose;~~
10 ~~provided, that seventy five percent (75%) of the sold electronic nicotine delivery system products~~
11 ~~are purchased directly from the manufacturer and selling electronic nicotine delivery system~~
12 ~~products directly to at least forty (40) dealers or other persons for resale;~~

13 ~~(3) "Electronic nicotine delivery system" means the products as defined in § 11-9-13.4(6).~~

14 ~~**23-1-56. License.**~~

15 ~~(a) Each person engaging in the business of selling electronic nicotine delivery system~~
16 ~~products in the state, including any distributor or dealer, shall secure a license annually from the~~
17 ~~department before engaging in that business or continuing to engage in it. A separate application~~
18 ~~and license is required for each place of business operated by a distributor or dealer. If the applicant~~
19 ~~for a license does not have a place of business in this state, the license shall be issued for such~~
20 ~~applicant's principal place of business, wherever located. A licensee shall notify the department~~
21 ~~within thirty (30) days in the event that it changes its principal place of business. A separate license~~
22 ~~is required for each class of business if the applicant is engaged in more than one of the activities~~
23 ~~required to be licensed by this section. No person shall maintain or operate, or cause to be operated,~~
24 ~~a vending machine for electronic nicotine delivery systems without procuring a dealer's license for~~
25 ~~each machine.~~

26 ~~(b) The director shall have authority to set a reasonable fee not to exceed twenty five~~
27 ~~dollars (\$25.00) for the issuance of the license.~~

28 ~~(c) Each issued license shall be prominently displayed on the premises, if any, covered by~~
29 ~~the license.~~

30 ~~(d) The director shall create and maintain a website setting forth the identity of all licensed~~
31 ~~persons under this section, itemized by type of license possessed, and shall update the site no less~~
32 ~~frequently than six (6) times per year.~~

33 ~~(e) A manufacturer or importer may sell or distribute electronic nicotine delivery systems~~
34 ~~to a person located or doing business within the state only if such person is a licensed distributor.~~

1 ~~An importer may obtain electronic nicotine delivery systems only from a licensed manufacturer. A~~
2 ~~distributor may sell or distribute electronic nicotine delivery systems to a person located or doing~~
3 ~~business within this state only if such person is a licensed distributor or dealer. A distributor may~~
4 ~~obtain electronic nicotine delivery systems only from a licensed manufacturer, importer, or~~
5 ~~distributor. A dealer may obtain electronic nicotine delivery systems only from a licensed~~
6 ~~distributor.~~

7 ~~(f)(1) No license under this chapter may be granted, maintained, or renewed if the~~
8 ~~applicant, or any combination of persons owning directly or indirectly any interests in the applicant:~~

9 ~~(i) Is delinquent in any tax filings for one month or more; or~~

10 ~~(ii) Had a license under this chapter revoked within the past two (2) years.~~

11 ~~(2) No person shall apply for a new license, or renewal of a license and no license shall be~~
12 ~~issued or renewed for any person, unless all outstanding fines, fees, or other charges relating to any~~
13 ~~license held by that person have been paid.~~

14 ~~(3) No license shall be issued relating to a business at any specific location until all prior~~
15 ~~licenses relating to that location have been officially terminated and all fines, fees, or charges~~
16 ~~relating to the prior licenses have been paid or otherwise resolved or if the director has found that~~
17 ~~the person applying for the new license is not acting as an agent for the prior licensee who is subject~~
18 ~~to any such related fines, fees, or charges that are still due. Evidence of such agency status includes,~~
19 ~~but is not limited to, a direct familial relationship and/or employment, contractual, or other formal~~
20 ~~financial or business relationship with the prior licensee.~~

21 ~~(4) No person shall apply for a new license pertaining to a specific location in order to~~
22 ~~evade payment of any fines, fees, or other charges relating to a prior license for that location.~~

23 ~~(5) No new license shall be issued for a business at a specific location for which a license~~
24 ~~has already issued unless there is a bona fide, good faith change in ownership of the business at~~
25 ~~that location.~~

26 ~~(6) No license or permit shall be issued, renewed or maintained for any person, including~~
27 ~~the owners of the business being licensed, who has been convicted of violating any criminal law~~
28 ~~relating to tobacco products and/or electronic nicotine delivery system products, the payment of~~
29 ~~taxes, or fraud, or has been ordered to pay civil fines of more than twenty five thousand dollars~~
30 ~~(\$25,000) for violations of any civil law relating to tobacco products and/or electronic nicotine-~~
31 ~~delivery system products, the payment of taxes, or fraud.~~

32 **~~23-1-57. Penalties for unlicensed business.~~**

33 ~~Any distributor or dealer who sells, offers for sale, or possesses with intent to sell,~~
34 ~~electronic nicotine delivery system products without a license as provided in § 23-1-56, shall be~~

1 ~~fined in accordance with the provisions of, and the penalties contained in, § 23-1-58.~~

2 ~~**23-1-58. Penalty for operating without a dealer license.**~~

3 ~~(a) Any individual or business who violates this chapter by selling or conveying an~~
4 ~~electronic nicotine delivery system product without a retail license shall be cited for that violation~~
5 ~~and shall be required to appear in district court for a hearing on the citation.~~

6 ~~(b) Any individual or business cited for a violation hereunder shall:~~

7 ~~(1) Either post a five hundred dollar (\$500) bond with the district court within ten (10) days~~
8 ~~of the citation; or~~

9 ~~(2) Sign and accept the citation indicating a promise to appear in court.~~

10 ~~(c) An individual or business who or that has accepted the citation may:~~

11 ~~(1) Pay the five hundred dollar (\$500) fine, either by mail or in person, within ten (10) days~~
12 ~~after receiving the citation; or~~

13 ~~(2) If that individual or business has posted a bond, forfeit the bond by not appearing at the~~
14 ~~scheduled hearing. If the individual or business cited pays the five hundred dollar (\$500) fine or~~
15 ~~forfeits the bond, that individual or business is deemed to have admitted the cited violation and to~~
16 ~~have waived the right to a hearing on the issue of commission on the violation.~~

17 ~~(d) The court, after a hearing on a citation, shall make a determination as to whether a~~
18 ~~violation has been committed. If it is established that the violation did occur, the court shall impose~~
19 ~~a five hundred dollar (\$500) fine in addition to any court costs or fees.~~

20 SECTION 7. Section 23-3-25 of the General Laws in Chapter 23-3 entitled "Vital Records"
21 is hereby amended to read as follows:

22 **23-3-25. Fees for copies and searches.**

23 (a) The state registrar shall charge fees for searches and copies as follows:

24 (1) For a search of two (2) consecutive calendar years under one name and for issuance of
25 a certified copy of a certificate of birth, fetal death, death, or marriage, or a certification of birth, or
26 a certification that the record cannot be found, and each duplicate copy of a certificate or
27 certification issued at the same time, the fee is as set forth in § 23-1-54.

28 (2) For each additional calendar year search, if applied for at the same time or within three
29 (3) months of the original request and if proof of payment for the basic search is submitted, the fee
30 is as set forth in § 23-1-54.

31 (3) For providing expedited service, the additional handling fee is as set forth in § 23-1-54.

32 (4) For processing of adoptions, legitimations, or paternity determinations as specified in
33 §§ 23-3-14 and 23-3-15, there shall be a fee as set forth in § 23-1-54.

34 (5) For making authorized corrections, alterations, and additions, the fee is as set forth in

1 § 23-1-54; provided, no fee shall be collected for making authorized corrections or alterations and
2 additions on records filed before one year of the date on which the event recorded has occurred.

3 (6) For examination of documentary proof and the filing of a delayed record, there is a fee
4 as set forth in § 23-1-54; and there is an additional fee as set forth in § 23-1-54 for the issuance of
5 a certified copy of a delayed record.

6 (b) Fees collected under this section by the state registrar shall be deposited in the general
7 fund of this state, according to the procedures established by the state treasurer.

8 (c) The local registrar shall charge fees for searches and copies of records as follows:

9 (1) For a search of two (2) consecutive calendar years under one name and for issuance of
10 a certified copy of a certificate of birth, fetal death, death, delayed birth, or marriage, or a
11 certification of birth or a certification that the record cannot be found, the fee is twenty dollars
12 (\$20.00). For each duplicate copy of a certificate or certification issued at the same time, the fee is
13 fifteen dollars (\$15.00).

14 (2) For each additional calendar year search, if applied for at the same time or within three
15 (3) months of the original request and if proof of payment for the basic search is submitted, the fee
16 is two dollars (\$2.00).

17 (d) Fees collected under this section by the local registrar shall be deposited in the city or
18 town treasury according to the procedures established by the city or town treasurer except that six
19 dollars (\$6.00) of the certified copy fees shall be submitted to the state registrar for deposit in the
20 general fund of this state.

21 (e) To acquire, maintain, and operate an electronic statewide registration system (ESRS),
22 the state registrar shall assess a surcharge of no more than five dollars (\$5.00) for a mail-in certified
23 records request, no more than three dollars (\$3.00) for each duplicate certified record, and no more
24 than two dollars (\$2.00) for a walk-in certified records request or a certified copy of a vital record
25 requested for a local registrar. Notwithstanding the provisions of subsection (d), any such
26 surcharges collected by the local registrar shall be submitted to the state registrar. Any funds
27 collected from the surcharges listed above shall be deposited ~~into the information technology~~
28 ~~restricted receipt account (ITRR account) established pursuant to § 42-11-2.5(a).~~ as general
29 revenues.

30 SECTION 8. Effective January 1, 2025, Section 23-27.3-108.2 of the General Laws in
31 Chapter 23-27.3 entitled “State Building Code; Article 1; Administration and Enforcement” is
32 hereby amended to read as follows:

33 **23-27.3-108.2. State building commissioner’s duties.**

34 (a) This code shall be enforced by the state building commissioner as to any structures or

1 buildings or parts thereof that are owned or are temporarily or permanently under the jurisdiction
2 of the state or any of its departments, commissions, agencies, or authorities established by an act
3 of the general assembly, and as to any structures or buildings or parts thereof that are built upon
4 any land owned by or under the jurisdiction of the state; provided, however, that for the purposes
5 of this section structures constituting tents and/or membrane frame structures as defined in this state
6 building code and any regulations promulgated hereunder shall be subject to an annual certification
7 process to be established by the state building commissioner in conjunction with the state fire
8 marshal and shall not be subject to recurring permit and fee requirements as otherwise required by
9 this code.

10 (b) Permit fees for the projects shall be established by the committee. The fees shall be
11 deposited as general revenues.

12 (c)(1) The local cities and towns shall charge each permit applicant an additional .1 (.001)
13 percent levy of the total construction cost for each permit issued. The levy shall be limited to a
14 maximum of fifty dollars (\$50.00) for each of the permits issued for one- and two-family (2)
15 dwellings. This additional levy shall be transmitted monthly to the state building office at the
16 department of business regulation, and shall be used to staff and support the purchase or lease and
17 operation of a web-accessible service and/or system to be utilized by the state and municipalities
18 for uniform, statewide electronic plan review, permit management, and inspection system and other
19 programs described in this chapter. The fee levy shall be deposited as general revenues.

20 (2) On or before July 1, 2013, the building commissioner shall develop a standard statewide
21 process for electronic plan review, permit management, and inspection. The process shall include,
22 but
23 not be limited to: applications; submission of building plans and plans for developments and plots;
24 plan review; permitting; inspections; inspection scheduling; project tracking; fee calculation and
25 collections;
26 and workflow and report management.

27 (3) On or before December 1, 2013, the building commissioner, with the assistance of the
28 office of regulatory reform, shall implement the standard statewide process for electronic plan
29 review, permit management, and inspection. In addition, the building commissioner shall develop
30 a technology and implementation plan for a standard web-accessible service or system to be utilized
31 by the state and municipalities for uniform, statewide electronic plan review, permit management,
32 and inspection. The plan shall include, but not be limited to: applications; submission of building
33 plans and plans for developments and plots; plan review; permitting; inspections; inspection
34 scheduling; project tracking; fee calculation and collections; and workflow and report management.

1 (d) The building commissioner shall, upon request by any state contractor described in §
2 37-2-38.1, review, and when all conditions for certification have been met, certify to the state
3 controller that the payment conditions contained in § 37-2-38.1 have been met.

4 (e) The building commissioner shall coordinate the development and implementation of
5 this section with the state fire marshal to assist with the implementation of § 23-28.2-6. On or before
6 January 1, 2022, the building commissioner shall promulgate rules and regulations to implement
7 the provisions of this section and § 23-27.3-115.6.

8 (f) The building commissioner shall submit, in coordination with the state fire marshal, a
9 report to the governor and general assembly on or before April 1, 2013, and each April 1 thereafter,
10 providing the status of the web-accessible service and/or system implementation and any
11 recommendations for process or system improvement. In every report submitted on or after April,
12 2024, the building commissioner shall provide the following information:

13 (1) The identity of every municipality in full compliance with the provisions § 23-27.3-
14 115.6
15 and the rules and regulations promulgated pursuant to the provisions of this section;

16 (2) The identity of every municipality failing to fully implement and comply with the
17 provisions of § 23-27.3-115.6 and/or the rules and regulations promulgated pursuant to the
18 provisions of this section, and the nature, extent, and basis or reason for the failure or
19 noncompliance; and

20 (3) Recommendations to achieve compliance by all municipalities with the provisions of §
21 23-27.3-115.6 and the rules and regulations promulgated pursuant to this section.

22 (g) The building commissioner shall assist with facilitating the goals and objectives set
23 forth in § 28-42-84(a)(9).

24 SECTION 9. Effective January 1, 2025, Section 23-28.19-1 of the General Laws in Chapter
25 23-28.19 entitled “Tents – Grandstands – Air Supported Structures” is hereby amended to read as
26 follows:

27 **23-28.19-1. Tents for which license required — Application and issuance.**

28 (a) No tent exceeding three hundred fifty square feet (350 sq. ft.) in area shall be erected,
29 maintained, operated, or used in any city or town in this state except under a license from the
30 licensing authorities of the city or town; provided, however, that for tent installations on state
31 property or in jurisdictions otherwise subject to the authority of the state fire marshal, structures
32 constituting tents and/or membrane frame structures as defined in the state building code and any
33 regulations promulgated thereunder, shall be subject to an annual certification process to be
34 established by the state building commissioner in conjunction with the state fire marshal pursuant

1 [to § 23-27.3-108.2 and shall not be subject to recurring permit and fee requirements as otherwise](#)
2 [required by the code.](#) The license shall not be issued for a period exceeding thirty (30) days and
3 shall be revocable for cause. Application shall be made on proper form and, when deemed
4 necessary by the licensing authorities, shall include plans drawn to scale, showing exits, aisles, and
5 seating arrangements and details of the structural support of tent, seats, and platforms, etc. No
6 license shall be issued until the provisions of this chapter have been complied with, and approval
7 has been obtained from the building department, the police department, the fire department, and,
8 when tents are to be used for fifty (50) or more persons, from each and every department having
9 jurisdiction over places of assembly.

10 (b) For the purposes of this section, the fire marshal shall have no jurisdiction over tents
11 on the property of one-(1) or two-(2) family private dwellings. Nothing contained in this section
12 shall prohibit the fire marshal from requiring a license for a tent smaller than three hundred fifty
13 square feet (350 sq. ft.) where other sections of the fire code deem it necessary, including, but not
14 limited to, use, occupancy, opening, exposure, an increase in occupancy of a commercial
15 establishment, and any other similar factors.

16 (c) The state fire marshal shall provide training to all assistant deputy fire marshals as
17 defined by § 23-28.2-9 as soon as practicable to ensure the consistent enforcement of the fire safety
18 code pursuant to § 23-28.2-4.

19 SECTION 10. Section 31-36-20 of the General Laws in Chapter 31-36 entitled "Motor Fuel
20 Tax" is hereby amended to read as follows:

21 **31-36-20. Disposition of proceeds.**(a) Notwithstanding any other provision of law to
22 **the** contrary, all moneys paid into the general treasury under the provisions of this chapter or chapter
23 37 of this title, and title 46 shall be applied to and held in a separate fund and be deposited in any
24 depositories that may be selected by the general treasurer to the credit of the fund, which fund shall
25 be known as the Intermodal Surface Transportation Fund; provided, that in fiscal year 2004 for the
26 months of July through April six and eighty-five hundredth cents (\$0.0685) per gallon of the tax
27 imposed and accruing for the liability under the provisions of § 31-36-7, less refunds and credits,
28 shall be transferred to the Rhode Island public transit authority as provided under § 39-18-21. For
29 the months of May and June in fiscal year 2004, the allocation shall be five and five hundredth
30 cents (\$0.0505). Thereafter, until fiscal year 2006, the allocation shall be six and twenty-five
31 hundredth cents (\$0.0625). For fiscal years 2006 through FY 2008, the allocation shall be seven
32 and twenty-five hundredth cents (\$0.0725); provided, that expenditures shall include the costs of
33 a market survey of non-transit users and a management study of the agency to include the
34 feasibility of moving the Authority into the Department of Transportation, both to be conducted

1 under the auspices of the state budget officer. The state budget officer shall hire necessary
2 consultants to perform the studies, and shall direct payment by the Authority. Both studies shall
3 be transmitted by the Budget Officer to the 2006 session of the General Assembly, with
4 comments from the Authority. For fiscal year 2009, the allocation shall be seven and seventy-
5 five hundredth cents (\$0.0775), of which one-half cent (\$0.005) shall be derived from the one
6 cent (\$0.01) per gallon environmental protection fee pursuant to § 46-12.9-11. For fiscal years
7 2010 and thereafter, the allocation shall be nine and seventy-five hundredth cents (\$0.0975), of
8 which of one-half cent (\$0.005) shall be derived from the one cent (\$0.01) per gallon environmental
9 protection fee pursuant to § 46-12.9-11. ~~One cent (\$0.01) per gallon shall be transferred to the~~
10 ~~Elderly/Disabled Transportation Program of the department of human services.~~ For fiscal years
11 2025 and thereafter, twenty-one percent (21%) of one cent (\$0.0021) per gallon shall be transferred
12 to the Elderly/Disabled Transportation Program of the department of human services, and seventy-
13 nine percent (79%) of one cent (\$0.0079) shall be directly transferred to the Rhode Island public
14 transit authority for the elderly/disabled transportation program. ~~and t~~The remaining cents per
15 gallon shall be available for general revenue as determined by the following schedule:

16 (i) For the fiscal year 2000, three and one-fourth cents (\$0.0325) shall be available for
17 general revenue.

18 (ii) For the fiscal year 2001, one and three-fourth cents (\$0.0175) shall be available for
19 general revenue.

20 (iii) For the fiscal year 2002, one-fourth cent (\$0.0025) shall be available for general
21 revenue.

22 (iv) For the fiscal year 2003, two and one-fourth cent (\$0.0225) shall be available for
23 general revenue.

24 (v) For the months of July through April in fiscal year 2004, one and four-tenths cents
25 (\$0.014) shall be available for general revenue. For the months of May through June in fiscal year
26 2004, three and two-tenths cents (\$0.032) shall be available for general revenue, and thereafter,
27 until fiscal year 2006, two cents (\$0.02) shall be available for general revenue. For fiscal year 2006
28 through fiscal year 2009 one cent (\$0.01) shall be available for general revenue.

29 (2) All deposits and transfers of funds made by the tax administrator under this section,
30 including those to the Rhode Island public transit authority, the department of human services, the
31 Rhode Island turnpike and bridge authority, and the general fund, shall be made within twenty-four
32 (24) hours of receipt or previous deposit of the funds in question.

33 (3) Commencing in fiscal year 2004, the Director of the Rhode Island Department of
34 Transportation is authorized to remit, on a monthly or less frequent basis as shall be determined by

1 the Director of the Rhode Island Department of Transportation, or his or her designee, or at the
2 election of the Director of the Rhode Island Department of Transportation, with the approval of the
3 Director of the Department of Administration, to an indenture trustee, administrator, or other third
4 party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax imposed, in
5 order to satisfy debt service payments on aggregate bonds issued pursuant to a Joint Resolution and
6 Enactment Approving the Financing of Various Department of Transportation Projects adopted
7 during the 2003 session of the General Assembly, and approved by the Governor.

8 (4) Commencing in fiscal year 2015, three and one-half cents (\$0.035) shall be transferred
9 to the Rhode Island Turnpike and Bridge Authority to be used for maintenance, operations, capital
10 expenditures and debt service on any of its projects as defined in chapter 12 of title 24 in lieu of a
11 toll on the Sakonnet River Bridge. The Rhode Island turnpike and bridge authority is authorized to
12 remit to an indenture trustee, administrator, or other third-party fiduciary any or all of the foregoing
13 transfers in order to satisfy and/or secure its revenue bonds and notes and/or debt service payments
14 thereon, including, but not limited to, the bonds and notes issued pursuant to the Joint Resolution
15 set forth in Section 3 of Article 6 of Chapter 23 of the Public Laws of 2010. Notwithstanding any
16 other provision of said Joint Resolution, the Rhode Island turnpike and bridge authority is expressly
17 authorized to issue bonds and notes previously authorized under said Joint Resolution for the
18 purpose of financing all expenses incurred by it for the formerly authorized tolling of the Sakonnet
19 River Bridge and the termination thereof.

20 (b) Notwithstanding any other provision of law to the contrary, all other funds in the fund
21 shall be dedicated to the department of transportation, subject to annual appropriation by the general
22 assembly. The director of transportation shall submit to the general assembly, budget office and
23 office of the governor annually an accounting of all amounts deposited in and credited to the fund
24 together with a budget for proposed expenditures for the succeeding fiscal year in compliance with
25 §§ 35-3-1 and 35-3-4. On order of the director of transportation, the state controller is authorized
26 and directed to draw his or her orders upon the general treasurer for the payments of any sum or
27 portion of the sum that may be required from time to time upon receipt of properly authenticated
28 vouchers.

29 (c) At any time the amount of the fund is insufficient to fund the expenditures of the
30 department of transportation, not to exceed the amount authorized by the general assembly, the
31 general treasurer is authorized, with the approval of the governor and the director of administration,
32 in anticipation of the receipts of monies enumerated in this section to advance sums to the fund, for
33 the purposes specified in this section, any funds of the state not specifically held for any particular
34 purpose. However, all the advances made to the fund shall be returned to the general fund

1 immediately upon the receipt by the fund of proceeds resulting from the receipt of monies to the
2 extent of the advances.

3 SECTION 11. Section 44-1-34 of the General Laws in Chapter 44-1 entitled "State Tax
4 Officials" is hereby amended to read as follows:

5 **44-1-34. Tax administrator to prepare list of delinquent taxpayers — Notice — Public**
6 **inspection.**

7 (a) Notwithstanding any other provision of law, the tax administrator may, on a quarterly
8 basis,

9 (1) Prepare a list of the ~~one hundred (100)~~ delinquent taxpayers under chapter 44-30 who
10 owe ~~the largest amount~~ at least \$50,000 of state tax and whose taxes have been unpaid for a period
11 in excess of ninety (90) days following the date their tax was due.

12 (2) Prepare a list of the ~~one hundred (100)~~ delinquent taxpayers collectively under chapters
13 44-11, 44-12, 44-13, 44-14, 44-15, 44-17, 44-18, and 44-20, who owe ~~the largest amount~~ at least
14 \$50,000 of state tax and whose taxes have been unpaid for a period in excess of ninety (90) days
15 following the date their tax was due.

16 (3) Each list may contain the name and address of each delinquent taxpayer, the type of tax
17 levied, and the amount of the delinquency, including interest and penalty, as of the end of the
18 quarter. No taxpayer shall be included on such list if the tax assessment in question is the subject
19 of an appeal.

20 (b) The tax administrator shall not list any delinquent taxpayer until such time as he or she
21 gives the delinquent taxpayer thirty (30) days' notice of intent to publish the taxpayer's
22 delinquency. Said notice shall be sent to the taxpayer's last known address by regular and certified
23 mail. If during said thirty (30) day period the taxpayer makes satisfactory arrangement for payment
24 of the delinquent tax, the name of such taxpayer shall not be published as long as the taxpayer does
25 not default on any payment agreement entered into with the division of taxation.

26 (c) Any such list prepared by the tax division shall be available to the public for inspection
27 by any person and may be published by the tax administrator on the tax division website.

28 SECTION 12. Effective January 1, 2025, Sections 44-11-2, 44-11-2.3, 44-11-4.1, and 44-
29 11-11 of the General Laws in Chapter 44-11 entitled "Business Corporation Tax" is hereby
30 amended to read as follows:

31 **44-11-2. Imposition of Tax.**

32 (a) Each corporation shall annually pay to the state a tax equal to nine percent (9%) of net
33 income, as defined in § 44-11-11, qualified in § 44-11-12, and apportioned to this state as provided
34 in §§ 44-11-13 — 44-11-15, for the taxable year. For tax years beginning on or after January 1,

1 2015, each corporation shall annually pay to the state a tax equal to seven percent (7.0%) of net
2 income, as defined in § 44-11-13 — 44-11-15, for the taxable year.

3 (b) A corporation shall pay the amount of any tax as computed in accordance with
4 subsection (a) after deducting from "net income," as used in this section, fifty percent (50%) of the
5 excess of capital gains over capital losses realized during the taxable year, if for the taxable year:

6 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its
7 own behalf and not as a broker, underwriter, or distributor;

8 (2) Its gross receipts derived from these activities during the taxable year amounted to at
9 least ninety percent (90%) of its total gross receipts derived from all of its activities during the year.

10 "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable
11 consideration, received during the taxable year in connection with the conduct of the taxpayer's
12 activities.

13 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
14 income under subsection (a), but shall annually pay to the state a tax equal to ten cents (\$.10) for
15 each one hundred dollars (\$100) of gross income for the taxable year or a tax of one hundred dollars
16 (\$100), whichever tax shall be the greater, if for the taxable year the corporation is either a "personal
17 holding company" registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a-
18 1 et seq., "regulated investment company," or a "real estate investment trust" as defined in the
19 federal income tax law applicable to the taxable year. "Gross income" means gross income as
20 defined in the federal income tax law applicable to the taxable year, plus:

21 (1) Any interest not included in the federal gross income; minus

22 (2) Interest on obligations of the United States or its possessions, and other interest exempt
23 from taxation by this state; and minus

24 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during the
25 taxable year.

26 (d) (1) A small business corporation having an election in effect under subchapter S, 26
27 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except
28 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income
29 that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after
30 January 1, 2015, a small business corporation having an election in effect under subchapter S, 26
31 U.S.C. § 1361 et seq., shall be subject to the minimum tax under § 44-11-2(e).

32 (2) The shareholders of the corporation who are residents of Rhode Island shall include in
33 their income their proportionate share of the corporation's federal taxable income.

34 (3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

1 (4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

2 (e) Minimum tax. The tax imposed upon any corporation under this section, including a
3 small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et
4 seq., shall not be less than four hundred fifty dollars (\$450). For tax years beginning on or after
5 January 1, 2017, the tax imposed shall not be less than four hundred dollars (\$400). [For tax years
6 beginning on or after January 1, 2025, the tax imposed shall not be less than three hundred fifty
7 dollars \(\\$350.00\).](#)

8 **44-11-2.3. Pass-through entities - Election to pay state income tax at the entity level.**

9 (a) Definitions. As used in this section:

10 (1) “Election” means the annual election to be made by the pass-through entity by filing
11 the prescribed tax form and remitting the appropriate tax.

12 (2) “Net income” means the net ordinary income, net rental real estate income, other net
13 rental income, guaranteed payments, and other business income less specially allocated
14 depreciation and deductions allowed pursuant to § 179 of the United States Revenue Code (26
15 U.S.C. § 179), all of which would be reported on federal tax form schedules C and E. Net income
16 for purposes of this section does not include specially allocated investment income or any other
17 types of deductions.

18 (3) “Owner” means an individual who is a shareholder of an S Corporation; a partner in a
19 general partnership, a limited partnership, or a limited liability partnership; a member of a limited
20 liability company, a beneficiary of a trust; or a sole proprietor.

21 (4) “Pass-through entity” means a corporation that for the applicable tax year is treated as
22 an S Corporation under I.R.C. 1362(a) (26 U.S.C. § 1362(a)), or a general partnership, limited
23 partnership, limited liability partnership, trust, limited liability company or unincorporated sole
24 proprietorship that for the applicable tax year is not taxed as a corporation for federal tax purposes
25 under the state’s regulations.

26 (5) “State tax credit” means the amount of tax paid by the pass-through entity at the entity
27 level that is passed through to an owner on a pro rata basis. [For tax years beginning on or after
28 January 1, 2025, “State tax credit” means ninety percent \(90%\) of the amount of tax paid by the
29 pass-through entity at the entity level that is passed through to an owner on a pro rata basis.](#)

30 (b) Elections.

31 (1) For tax years beginning on or after January 1, 2019, a pass-through entity may elect to
32 pay the state tax at the entity level at the rate of five and ninety-nine hundredths percent (5.99%).

33 (2) If a pass-through entity elects to pay an entity tax under this subsection, the entity shall
34 not have to comply with the provisions of § 44-11-2.2 regarding withholding on non-resident

1 owners. In that instance, the entity shall not have to comply with the provisions of § 44-11-2.2
2 regarding withholding on non-resident owners.

3 (c) Reporting.

4 (1) The pass-through entity shall report the pro rata share of the state income taxes paid by
5 the entity which sums will be allowed as a state tax credit for an owner on his or her personal
6 income tax return.

7 (2) The pass-through entity shall also report the pro rata share of the state income taxes
8 paid by the entity as an income (addition) modification to be reported by an owner on his or her
9 personal income tax returns.

10 (d) State tax credit shall be the amount of tax paid by the pass-through entity, at the entity
11 level, which is passed through to the owners, on a pro rata basis. For tax years beginning on or
12 after January 1, 2025, state tax credit shall be ninety percent (90%) of the amount of tax paid by
13 the pass-through entity, at the entity level, which is passed through to the owners, on a pro rata
14 basis.

15 (e) A similar type of tax imposed by another state on the owners' income paid at the state
16 entity level shall be deemed to be allowed as a credit for taxes paid to another jurisdiction in
17 accordance with the provisions of § 44-30-18.

18 (f) "Combined reporting" as set forth in § 44-11-4.1 shall not apply to reporting under this
19 section.

20 **44-11-4.1. Combined reporting.**

21 (a) For tax years beginning on or after January 1, 2015, each C corporation which is part
22 of an unitary business with one or more other corporations must file a return, in a manner prescribed
23 by the tax administrator, for the combined group containing the combined income, determined
24 under this section, of the combined group.

25 (b) An affiliated group of C corporations, as defined in section 1504 of the Internal Revenue
26 Code, may elect to be treated as a combined group with respect to the combined reporting
27 requirement imposed by § 44-11-4.1(a) for the taxable year in lieu of an unitary business group.
28 The election shall be upon the condition that all C corporations which at any time during the taxable
29 year have been members of the affiliated group consent to be included in such group. The filing of
30 a consolidated return for the combined group shall be considered as such consent. Such election
31 may not be revoked in less than five (5) years unless approved by the tax administrator.

32 (c) The use of a combined report does not disregard the separate identities of the taxpayer
33 members of the combined group. Each taxpayer member is responsible for tax based on its taxable
34 income or loss apportioned to this state.

1 (d) Members of a combined group shall exclude as a member and disregard the income and
2 apportionment factors of any corporation not incorporated in the United States (a “non US
3 corporation”) if the sales factors outside the United States is eighty percent (80%) or more. If a non
4 US corporation is includible as a member in the combined group, to the extent that such non US
5 corporation’s income is subject to the provisions of a federal income tax treaty, such income is not
6 includible in the combined group net income. Such member shall also not include in the combined
7 report any expenses or apportionment factors attributable to income that is subject to the provisions
8 of a federal income tax treaty. For purposes of this chapter, “federal income tax treaty” means a
9 comprehensive income tax treaty between the United States and a foreign jurisdiction, other than a
10 foreign jurisdiction which is defined as a tax haven; provided, however, that if the tax administrator
11 determines that a combined group member non US corporation is organized in a tax haven that has
12 a federal income treaty with the United States, its income subject to a federal income tax treaty,
13 and any expenses or apportionment factors attributable to such income, shall not be included in the
14 combined group net income or combined report if: (i) the transactions conducted between such non
15 US corporation and other members of the combined group are done on an arm’s length basis and
16 not with the principal purpose to avoid the payment of taxes due under this chapter; or (ii) the
17 member establishes that the inclusion of such net income in combined group net income is
18 unreasonable.

19 (e) Net operating losses. A tracing protocol shall apply to net operating losses created
20 before January 1, 2015. Such net operating losses shall be allowed to offset only the income of the
21 corporation that created the net operating loss; the net operating loss cannot be shared with other
22 members of the combined group. No deduction is allowable for a net operating loss sustained
23 during any taxable year in which a taxpayer was not subject to Rhode Island business corporation
24 tax. For net operating losses created in tax years beginning on or after January 1, 2015 such loss
25 allowed shall be the same as the net operating loss deduction allowed under section 172 of the
26 internal revenue code for the combined group, except that:

27 (1) Any net operating loss included in determining the deduction shall be adjusted to reflect
28 the inclusions and exclusions from entire net income required by § 44-11-11 (a) and § 44-11-11.1;

29 (2) The deduction shall not include any net operating loss sustained during any taxable year
30 in which the member was not subject to the tax imposed by this chapter; and

31 (3) [Limitation on 26 U.S.C. § 172 deduction.](#)

32 (i) The deduction shall not exceed the deduction for the taxable year allowable under
33 section 172 of the internal revenue code; provided, that the deduction for a taxable year may not be
34 carried back to any other taxable year for Rhode Island purposes but shall only be allowable on a

1 carry forward basis for the five (5) succeeding taxable years: and

2 (ii) For any taxable year beginning on or after January 1, 2025, the deduction shall not
3 exceed the deduction for the taxable year allowable under 26 U.S.C. § 172; provided, that the
4 deduction for a taxable year may not be carried back to any other taxable year for Rhode Island
5 purposes but shall only be allowable on a carry forward basis for the twenty (20) succeeding taxable
6 years.

7 (f) Tax credits and tax rate reduction.

8 (1) A tracing protocol shall apply to Rhode Island tax credits earned before tax years
9 beginning on or before January 1, 2015. Such Rhode Island tax credits shall be allowed to offset
10 only the tax liability of the corporation that earned the credits; the Rhode Island tax credits cannot
11 be shared with other members of the combined group. Rhode Island tax credits earned in tax years
12 beginning on or after January 1, 2015, may be applied to other members of the group.

13 (2) The tax rate reductions authorized under chapter 64.5 of title 42 (Jobs Development
14 Act) and chapter 64.14 of title 42 (I-195 Redevelopment Act of 2011) shall be allowed against the
15 net income of the entire combined group.

16 (g) The tax administrator shall prescribe and amend, from time to time, rules and
17 regulations as he or she may deem necessary in order that the tax liability of any group of
18 corporations filing as a combined group and each corporation in the combined group, liable to
19 taxation under this chapter, may be determined, computed, assessed, collected, and adjusted in a
20 manner as to clearly reflect the combined income of the combined group and the individual income
21 of each member of the combined group. Such rules and regulations, shall include but are not be
22 limited to, issues such as the inclusion or exclusion of a corporation in the combined group, the
23 characterization and sourcing of each member's income, and whether certain common activities
24 constitute the conduct of a unitary business.

25 (h) The tax administrator shall on or before March 15, 2018, based upon the actual tax
26 filings of companies under this act for a two year period, submit a report to the chairperson of the
27 house finance committee and the senate finance committee and the house fiscal advisor and the
28 senate fiscal advisor analyzing the policy and fiscal ramifications of the changes enacted to business
29 corporations tax statutes, as enacted in budget article 12 of the Fiscal Year 2015 appropriations act.
30 The report shall include but not be limited to the impact upon categories of business, size of
31 business and similar information as contained in § 44-11-45 [repealed], which required the original
32 report.

33 **44-11-11. "Net income" defined.**

34 (a)(1) "Net income" means, for any taxable year and for any corporate taxpayer, the taxable

1 income of the taxpayer for that taxable year under the laws of the United States, plus:

2 (i) Any interest not included in the taxable income;

3 (ii) Any specific exemptions;

4 (iii) The tax imposed by this chapter;

5 (iv) For any taxable year beginning on or after January 1, 2020, the amount of any Paycheck

6 Protection Program loan forgiven for federal income tax purposes as authorized by the Coronavirus

7 Aid, Relief, and Economic Security Act and/or the Consolidated Appropriations Act, 2021 and/or

8 any other subsequent federal stimulus relief packages enacted by law, to the extent that the amount

9 of the loan forgiven exceeds \$250,000; and minus:

10 (v) Interest on obligations of the United States or its possessions, and other interest exempt

11 from taxation by this state; ~~and~~

12 (vi) The federal net operating loss deduction~~;~~ and

13 (vii) For any taxable year beginning on or after January 1, 2025, in the case of a taxpayer

14 that is licensed in accordance with chapters 28.6 and/or 28.11 of title 21, the amount equal to any

15 expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed under

16 26 U.S.C. § 280E.

17 (2) All binding federal elections made by or on behalf of the taxpayer applicable either

18 directly or indirectly to the determination of taxable income shall be binding on the taxpayer except

19 where this chapter or its attendant regulations specifically modify or provide otherwise. Rhode

20 Island taxable income shall not include the “gross-up of dividends” required by the federal Internal

21 Revenue Code to be taken into taxable income in connection with the taxpayer’s election of the

22 foreign tax credit.

23 (b) A net operating loss deduction shall be allowed, which shall be the same as the net

24 operating loss deduction allowed under 26 U.S.C. § 172, except that:

25 (1) Any net operating loss included in determining the deduction shall be adjusted to reflect

26 the inclusions and exclusions from entire net income required by subsection (a) of this section and

27 § 44-11-11.1;

28 (2) The deduction shall not include any net operating loss sustained during any taxable year

29 in which the taxpayer was not subject to the tax imposed by this chapter; and

30 (3) Limitation on 26 U.S.C. § 172 deduction.

31 (i) The deduction shall not exceed the deduction for the taxable year allowable under 26

32 U.S.C. § 172; provided, that the deduction for a taxable year may not be carried back to any other

33 taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for the

34 five (5) succeeding taxable years~~;~~ and

1 (ii) For any taxable year beginning on or after January 1, 2025, the deduction shall not
2 exceed the deduction for the taxable year allowable under 26 U.S.C. § 172; provided, that the
3 deduction for a taxable year may not be carried back to any other taxable year for Rhode Island
4 purposes but shall only be allowable on a carry forward basis for the twenty (20) succeeding taxable
5 years.

6 (c) “Domestic international sales corporations” (referred to as DISCs), for the purposes of
7 this chapter, will be treated as they are under federal income tax law and shall not pay the amount
8 of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in
9 the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

10 (d) A corporation that qualifies as a “foreign sales corporation” (FSC) under the provisions
11 of subchapter N, 26 U.S.C. § 861 et seq., and that has in effect for the entire taxable year a valid
12 election under federal law to be treated as a FSC, shall not pay the amount of the tax computed
13 under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same manner as it
14 is treated under federal income tax law as it exists on January 1, 1985.

15 (e) For purposes of a corporation’s state tax liability, any deduction to income allowable
16 under 26 U.S.C. § 1400Z-2(c) may be claimed in the case of any investment held by the taxpayer
17 for at least seven years. The division of taxation shall promulgate, in its discretion, rules and
18 regulations relative to the accelerated application of deductions under 26 U.S.C. § 1400Z-2(c).

19 SECTION 13. Effective January 1, 2025, Section 44-18-30.1 of the General Laws in
20 Chapter 44-18 entitled "Sales and Use Taxes – Liability and Computation" is hereby amended to
21 read as follows:

22 **44-18-30.1. Application for certificate of exemption – Fees.**

23 ~~A fee of twenty five dollars (\$25.00) shall be paid by all All organizations applying for seeking a~~
24 ~~certificate of exemption from the Rhode Island sales and use tax under § 44-18-30(5)(i) shall apply~~
25 ~~for a certificate of exemption on forms prescribed by the tax administrator.~~ The certificate of
26 exemption shall be valid for four (4) years from the date of issue. ~~All fees collected under this~~
27 ~~section shall be allocated to the tax administrator for enforcement and collection of all taxes. All~~
28 ~~certificates issued prior to the effective date of this section shall expire four (4) years from the~~
29 ~~effective date of this section.~~

30 SECTION 14. Effective September 1, 2024, Sections 44-20-12 and 44-20-13 of the
31 General Laws in Chapter 44-20 entitled “Cigarette and Other Tobacco Products Tax” are hereby
32 amended to read as follows:

33 **44-20-12. Tax imposed on cigarettes sold.**

34 A tax is imposed on all cigarettes sold or held for sale in the state. The payment of the tax

1 to be evidenced by stamps, which may be affixed only by licensed distributors to the packages
2 containing such cigarettes. Any cigarettes on which the proper amount of tax provided for in this
3 chapter has been paid, payment being evidenced by the stamp, is not subject to a further tax under
4 this chapter. The tax is at the rate of ~~two hundred twelve and one half (212.5)~~ two hundred twenty-
5 five (225) mills for each cigarette.

6 **44-20-13. Tax imposed on unstamped cigarettes.**

7 A tax is imposed at the rate of ~~two hundred twelve and one half (212.5)~~ two hundred
8 twenty-five (225) mills for each cigarette upon the storage or use within this state of any cigarettes
9 not stamped in accordance with the provisions of this chapter in the possession of any consumer
10 within this state.

11 SECTION 15. Effective September 1, 2024, Chapter 44-20 of the General Laws entitled
12 "Cigarette and Other Tobacco Products Tax" is hereby amended by adding thereto the following
13 section:

14 **44-20-12.7. Floor stock tax on cigarettes and stamps.**

15 (a) Each person engaging in the business of selling cigarettes at retail in this state shall pay
16 a tax or excise to the state for the privilege of engaging in that business during any part of the
17 calendar year 2024. In calendar year 2024, the tax shall be measured by the number of cigarettes
18 held by the person in this state at 12:01 a.m. on September 1, 2024, and is computed at the rate of
19 twelve and one half (12.5) mills for each cigarette on September 1, 2024.

20 (b) Each distributor licensed to do business in this state pursuant to this chapter shall pay a
21 tax or excise to the state for the privilege of engaging in that business during any part of the calendar
22 year 2024. The tax is measured by the number of stamps, whether affixed or to be affixed to
23 packages of cigarettes, as required by § 44-20-28. In calendar year 2024 the tax is measured by the
24 number of stamps, whether affixed or to be affixed, held by the distributor at 12:01 a.m. on
25 September 1, 2024, and is computed at the rate of twelve and one half (12.5) mills per cigarette in
26 the package to which the stamps are affixed or to be affixed.

27 (c) Each person subject to the payment of the tax imposed by this section shall, on or before
28 September 16, 2024, file a return, under oath or certified under the penalties of perjury, with the
29 tax administrator on forms furnished by him or her, showing the amount of cigarettes and the
30 number of stamps in that person's possession in this state at 12:01 a.m. on September 1, 2024, as
31 described in this section above, and the amount of tax due, and shall at the time of filing the return
32 pay the tax to the tax administrator. Failure to obtain forms shall not be an excuse for the failure
33 to make a return containing the information required by the tax administrator.

34 (d) The tax administrator may prescribe rules and regulations, not inconsistent with law,

1 [regarding the assessment and collection of the tax imposed by this section.](#)

2 SECTION 16. Effective October 1, 2024, the title of Chapter 44-20 of the General Laws
3 entitled "Cigarette and Other Tobacco Products Tax" is hereby amended to read as follows:

4 ~~CHAPTER 44-20~~

5 ~~Cigarette and Other Tobacco Products Tax~~

6 [CHAPTER 44-20](#)

7 [Cigarette, Other Tobacco Products, and Electronic Nicotine-Delivery System Products](#)

8 SECTION 17. Effective October 1, 2024, Sections 44-20-1, 44-20-2, 44-20-3, 44-20-4, 44-
9 20-4.1, 44-20-5, 44-20-8.2, 44-20-13.2, 44-20-15, 44-20-33, 44-20-35, 44-20-40, 44-20-40.1, 44-
10 20-43, 44-20-45, 44-20-47, and 44-20-51.1 of the General Laws in Chapter 44-20 entitled
11 "Cigarette and Other Tobacco Products Tax" are hereby amended to read as follows:

12 [44-20-1. Definitions.](#)

13 Whenever used in this chapter, unless the context requires otherwise:

14 (1) "Administrator" means the tax administrator;

15 (2) "Cigarettes" means and includes any cigarettes suitable for smoking in cigarette form,
16 and each sheet of cigarette rolling paper, including but not limited to, paper made into a hollow
17 cylinder or cone, made with paper or any other material, with or without a filter suitable for use in
18 making cigarettes;

19 (3) "Dealer" means any person whether located within or outside of this state, who sells or
20 distributes cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)
21 [products](#) to a consumer in this state;

22 (4) "Distributor" means any person:

23 (A) Whether located within or outside of this state, other than a dealer, who sells or
24 distributes cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)
25 [products](#) within or into this state. Such term shall not include any cigarette or other tobacco product
26 manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C. § 5712,
27 if such person sells or distributes cigarettes and/or other tobacco products [and/or electronic](#)
28 [nicotine-delivery system products](#) in this state only to licensed distributors, or to an export
29 warehouse proprietor or another manufacturer with a valid permit under 26 U.S.C. § 5712;

30 (B) Selling cigarettes and/or other tobacco products [and/or electronic nicotine-delivery](#)
31 [system products](#) directly to consumers in this state by means of at least twenty-five (25) vending
32 machines;

33 (C) Engaged in this state in the business of manufacturing cigarettes and/or other tobacco
34 products [and/or electronic nicotine-delivery system products](#) or any person engaged in the business

1 of selling cigarettes and/or other tobacco products and/or electronic nicotine-delivery system
2 products to dealers, or to other persons, for the purpose of resale only; provided, that seventy-five
3 percent (75%) of all cigarettes and/or other tobacco products and/or electronic nicotine-delivery
4 system products sold by that person in this state are sold to dealers or other persons for resale and
5 selling cigarettes and/or other tobacco products and/or electronic nicotine-delivery system products
6 directly to at least forty (40) dealers or other persons for resale; or

7 (D) Maintaining one or more regular places of business in this state for that purpose;
8 provided, that seventy-five percent (75%) of the sold cigarettes and/or other tobacco products
9 and/or electronic nicotine-delivery system products are purchased directly from the manufacturer
10 and selling cigarettes and/or other tobacco products and/or electronic nicotine-delivery system
11 products directly to at least forty (40) dealers or other persons for resale;

12 (5) “E-liquid” and “e-liquid products” mean any liquid or substance placed in or sold for
13 use in an electronic nicotine-delivery system which generally utilizes a heating element that
14 aerosolizes, vaporizes or combusts a liquid or other substance containing nicotine or nicotine
15 derivative:

16 (a) whether the liquid or substance contains nicotine or a nicotine derivative; or,

17 (b) whether sold separately or sold in combination with a personal vaporizer, electronic
18 nicotine-delivery system, or an electronic inhaler.

19 (6) “Electronic nicotine-delivery system” means an electronic device that may be used to
20 simulate smoking in the delivery of nicotine or other substance to a person inhaling from the device,
21 and includes, but is not limited to, an electronic cigarette, electronic cigar, electronic cigarillo,
22 electronic little cigars, electronic pipe, electronic hookah, “heat not burn products,” e-liquids, e-
23 liquid products, or any related device and any cartridge or other component of such device.

24 (7) “Electronic nicotine-delivery system products” means any combination of electronic
25 nicotine-delivery system and/or e-liquid and/or any derivative thereof, and/or any e-liquid
26 container. Electronic nicotine-delivery system products shall include hemp-derived consumable
27 CBD products as defined in § 2-26-3.

28 (58) “Importer” means any person who imports into the United States, either directly or
29 indirectly, a finished cigarette or other tobacco product and/or electronic nicotine-delivery system
30 product for sale or distribution;

31 (69) “Licensed,” when used with reference to a manufacturer, importer, distributor or
32 dealer, means only those persons who hold a valid and current license issued under § 44-20-2 for
33 the type of business being engaged in. When the term “licensed” is used before a list of entities,
34 such as “licensed manufacturer, importer, wholesale dealer, or retailer dealer,” such term shall be

1 deemed to apply to each entity in such list;

2 (~~7~~10) “Manufacturer” means any person who manufactures, fabricates, assembles,
3 processes, or labels a finished cigarette and/or other tobacco products [and/or electronic nicotine-](#)
4 [delivery system products](#);

5 (~~8~~11) “Other tobacco products” (OTP) means any cigars (excluding Little Cigars, as
6 defined in § 44-20.2-1, which are subject to cigarette tax), cheroots, stogies, smoking tobacco
7 (including granulated, plug cut, crimp cut, ready rubbed and any other kinds and forms of tobacco
8 suitable for smoking in a pipe or otherwise), chewing tobacco (including Cavendish, twist, plug,
9 scrap and any other kinds and forms of tobacco suitable for chewing), any and all forms of hookah,
10 shisha and “mu’assel” tobacco, snuff, and shall include any other articles or products made of or
11 containing tobacco, in whole or in part, or any tobacco substitute, except cigarettes;

12 (~~9~~12) “Person” means any individual, including an employee or agent, firm, fiduciary,
13 partnership, corporation, trust, or association, however formed;

14 (~~10~~13) “Pipe” means an apparatus made of any material used to burn or vaporize products
15 so that the smoke or vapors can be inhaled or ingested by the user;

16 (~~11~~14) “Place of business” means any location where cigarettes and/or other tobacco
17 products [and/or electronic nicotine-delivery system products](#) are sold, stored, or kept, including,
18 but not limited to; any storage room, attic, basement, garage or other facility immediately adjacent
19 to the location. It also includes any receptacle, hide, vessel, vehicle, airplane, train, or vending
20 machine;

21 (~~12~~15) “Sale” or “sell” means gifts, exchanges, and barter of cigarettes and/or other
22 tobacco products [and/or electronic nicotine-delivery system products](#). The act of holding, storing,
23 or keeping cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)
24 [products](#) at a place of business for any purpose shall be presumed to be holding the cigarettes and/or
25 other tobacco products [and/or electronic nicotine-delivery system products](#) for sale. Furthermore,
26 any sale of cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)
27 [products](#) by the servants, employees, or agents of the licensed dealer during business hours at the
28 place of business shall be presumed to be a sale by the licensee;

29 (~~13~~16) “Stamp” means the impression, device, stamp, label, or print manufactured, printed,
30 or made as prescribed by the administrator to be affixed to packages of cigarettes, as evidence of
31 the payment of the tax provided by this chapter or to indicate that the cigarettes are intended for a
32 sale or distribution in this state that is exempt from state tax under the provisions of state law; and
33 also includes impressions made by metering machines authorized to be used under the provisions
34 of this chapter.

1 44-20-2. Manufacturer, importer, distributor, and dealer licenses required —
2 Licenses required.

3 (a) Each manufacturer engaging in the business of selling any cigarette and/or any tobacco
4 products and/or electronic nicotine-delivery system products in this state shall secure a license,
5 unless otherwise prohibited by federal law, from the administrator before engaging in that business,
6 or continuing to engage in it.

7 (b) Each person engaging in the business of selling cigarette and/or any tobacco products
8 and/or any electronic nicotine-delivery system products in this state, including any manufacturer,
9 importer, distributor or dealer, shall secure a license from the administrator before engaging in that
10 business, or continuing to engage in it. A separate application and license is required for each place
11 of business operated by a distributor, manufacturer, importer, or dealer; provided, that an operator
12 of vending machines for cigarette products is not required to obtain a distributor’s license for each
13 machine. If the applicant for a license does not have a place of business in this state, the license
14 shall be issued for such applicant’s principal place of business, wherever located. A licensee shall
15 notify the administrator within thirty (30) days in the event that it changes its principal place of
16 business. A separate license is required for each class of business if the applicant is engaged in
17 more than one of the activities required to be licensed by this section. No person shall maintain or
18 operate or cause to be operated a vending machine for cigarette products without procuring a
19 dealer’s license for each machine.

20 (c) Effective October 1, 2024, the administrator shall implement a single license and
21 renewal application that allows for the licensure of retailers/dealers of cigarettes and/or any tobacco
22 products and/or any electronic nicotine-delivery system products and a separate single license and
23 renewal application that allows for the licensure of distributors, manufacturers, and importers of
24 cigarettes and/or any tobacco products and/or any electronic nicotine-delivery system products.

25 (d) Immediately following the enactment of this chapter, any electronic nicotine-delivery
26 system products distributor or dealer, licensed in good-standing by the department of health
27 pursuant to chapter 1 of title 23, shall be considered licensed for purposes of compliance with this
28 chapter until the renewal date for such license pursuant to chapter 20 of title 44 occurs; thereafter,
29 such distributors and dealers shall be required to comply with the license requirements in this
30 chapter.

31 44-20-3. Penalties for unlicensed business.

32 Any manufacturer, importer, distributor or dealer who sells, offers for sale, or possesses
33 with intent to sell, cigarettes and/or any other tobacco products and/or any electronic nicotine-
34 delivery system products, without a license as provided in § 44-20-2, shall be guilty of a

1 misdemeanor, and shall be fined not more than ten thousand dollars (\$10,000) for each offense, or
2 be imprisoned for a term not to exceed one (1) year, or be punished by both a fine and
3 imprisonment.

4 **44-20-4. Application for license — Display.**

5 All licenses are issued by the tax administrator upon approval of application, stating, on
6 forms prescribed by the tax administrator, the information he or she may require for the proper
7 administration of this chapter. Each application for ~~an~~ a manufacturer, importer's, or distributor's
8 license shall be accompanied by a fee of one thousand dollars (\$1,000); provided, that for a
9 distributor who does not affix stamps, the fee shall be one hundred dollars (\$100); each application
10 for a dealer's license shall be accompanied by ~~an~~ an application fee of twenty-five dollars (\$25.00).
11 Each issued license shall be prominently displayed on the premises within this state, if any, covered
12 by the license. In the instance of an application for a distributor's license, the administrator shall
13 require, in addition to other information as may be deemed necessary, the filing of affidavits from
14 three (3) cigarette manufacturers with national distribution stating that the manufacturer will supply
15 the distributor if the applicant is granted a license.

16 **44-20-4.1. License availability.**

17 (a) No license under this chapter may be granted, maintained or renewed if the applicant,
18 or any combination of persons owning directly or indirectly any interests in the applicant:

- 19 (1) Owes five hundred dollars (\$500) or more in delinquent taxes;
20 (2) Is delinquent in any tax filings for one month or more;
21 (3) Had a license under this chapter revoked by the administrator within the past two (2)
22 years;
23 (4) Has been convicted of a crime relating to cigarettes and/or other tobacco products;
24 (5) Is a cigarette manufacturer or importer that is neither: (i) A participating manufacturer
25 as defined in subsection II (jj) of the "Master Settlement Agreement" as defined in § 23-71-2; nor
26 (ii) In full compliance with chapter 20.2 of this title and § 23-71-3;
27 (6) Has imported, or caused to be imported, into the United States any cigarette, and/or
28 other tobacco product and/or electronic nicotine-delivery system products in violation of 19 U.S.C.
29 § 1681a or any other state or federal law; or
30 (7) Has imported, or caused to be imported into the United States, or manufactured for sale
31 or distribution in the United States any cigarette that does not fully comply with the Federal
32 Cigarette Labeling and Advertising Act (15 U.S.C. § 1331 et seq.).

33 (b)(1) No person shall apply for a new license or permit (as defined in § 44-19-1) or
34 renewal of a license or permit, and no license or permit shall be issued or renewed for any applicant,

1 or any combination of persons owning directly or indirectly any interests in the applicant, unless
2 all outstanding fines, fees, or other charges relating to any license or permit held by the applicant,
3 or any combination of persons owning directly or indirectly any interests in the applicant, as well
4 as any other tax obligations of the applicant, or any combination of persons owning directly or
5 indirectly any interests in the applicant have been paid.

6 (2) No license or permit shall be issued relating to a business until all prior licenses or
7 permits relating to that business or to that location have been officially terminated and all fines,
8 fees, or charges relating to the prior license or permit have been paid or otherwise resolved or the
9 administrator has found that the person applying for the new license or permit is not acting as an
10 agent for the prior licensee or permit holder who is subject to any such related fines, fees or charges
11 that are still due. Evidence of such agency status includes, but is not limited to, a direct familial
12 relationship and/or an employment, contractual, or other formal financial or business relationship
13 with the prior licensee or permit holder.

14 (3) No person shall apply for a new license or permit pertaining to a specific location in
15 order to evade payment of any fines, fees, or other charges relating to a prior license or permit.

16 (4) No new license or permit shall be issued for a business at a specific location for which
17 a license or permit already has been issued unless there is a bona fide, good-faith change in
18 ownership of the business at that location.

19 (5) No license or permit shall be issued, renewed, or maintained for any person, including
20 the owners of the business being licensed or having applied and received a permit, that has been
21 convicted of violating any criminal law relating to tobacco products, the payment of taxes, or fraud
22 or has been ordered to pay civil fines of more than twenty-five thousand dollars (\$25,000) dollars
23 for violations of any civil law relating to tobacco products, the payment of taxes, or fraud.

24 44-20-5. Expiration, Duration, and renewal of manufacturer's, importer's,
25 distributor's and dealer's licenses —Renewal.

26 (a) Effective October 1, 2024 to add manufacturer and distributor: Any manufacturer,
27 importer, or distributor license and any license issued by the tax administrator authorizing a dealer
28 to sell cigarettes and/or other tobacco products and/or electronic nicotine-delivery system products
29 or a manufacturer to sell electronic nicotine-delivery system products in this state shall expire at
30 midnight on June 30 next succeeding the date of issuance unless (1) suspended or revoked by the
31 tax administrator, (2) the business with respect to which the license was issued changes ownership,
32 (3) the manufacturer, importer, distributor or dealer ceases to transact the business for which the
33 license was issued, or (4) after a period of time set by the administrator; provided such period of
34 time shall not be longer than three (3) years, in any of which cases the license shall expire and

1 terminate and the holder shall immediately return the license to the tax administrator.

2 (b) Every holder of a dealer’s license shall annually, on or before February 1 of each year,
3 renew its license by filing an application for renewal along with a twenty-five dollar (\$25.00)
4 renewal fee. The renewal license is valid for the period July 1 of that calendar year through June
5 30 of the subsequent calendar year.

6 **44-20-8.2. Transactions only with licensed manufacturers, importers, distributors,**
7 **and dealers.**

8 A manufacturer or importer may sell or distribute cigarettes and/or other tobacco products
9 and/or electronic nicotine-delivery system products to a person located or doing business within
10 this state, only if such person is a licensed importer or distributor. An importer may obtain cigarettes
11 and/or other tobacco products and/or electronic nicotine-delivery system products only from a
12 licensed manufacturer. A distributor may sell or distribute cigarettes and/or other tobacco products
13 and/or electronic nicotine-delivery system products to a person located or doing business within
14 this state, only if such person is a licensed distributor or dealer. A distributor may obtain cigarettes
15 and/or other tobacco products and/or electronic nicotine-delivery system products only from a
16 licensed manufacturer, importer, or distributor. A dealer may obtain cigarettes and/or other tobacco
17 products and/or electronic nicotine-delivery system products only from a licensed distributor.

18 **44-20-13.2. Tax imposed on other tobacco products, smokeless tobacco, cigars, and**
19 **pipe tobacco products, and electronic nicotine-delivery system products.**

20 (a) A tax is imposed on all other tobacco products, smokeless tobacco, cigars, ~~and~~-pipe
21 tobacco products, and electronic nicotine-delivery system products sold, or held for sale in the state
22 by any person, the payment of the tax to be accomplished according to a mechanism established by
23 the administrator, division of taxation, department of revenue. The tax imposed by this section shall
24 be as follows:

25 (1) At the rate of eighty percent (80%) of the wholesale cost of other tobacco products,
26 cigars, pipe tobacco products, and smokeless tobacco other than snuff.

27 (2) Notwithstanding the eighty percent (80%) rate in subsection (a) above, in the case of
28 cigars, the tax shall not exceed fifty cents (\$.50) for each cigar.

29 (3) At the rate of one dollar (\$1.00) per ounce of snuff, and a proportionate tax at the like
30 rate on all fractional parts of an ounce thereof. Such tax shall be computed based on the net weight
31 as listed by the manufacturer; provided, however, that any product listed by the manufacturer as
32 having a net weight of less than 1.2 ounces shall be taxed as if the product has a net weight of 1.2
33 ounces.

34 (4) Effective October 1, 2024, at the rate of eighty percent (80%) of the wholesale cost of

1 electronic nicotine-delivery system products as defined herein.

2 (i) Existing Inventory Floor Tax: For all electronic nicotine-delivery system products held
3 by licensed electronic nicotine-delivery system products retailers as of October 1, 2024: Each
4 person engaging in the business of selling electronic nicotine-delivery system products at retail in
5 this state shall pay a tax measured by the wholesale cost of electronic nicotine-delivery system
6 products held by the person in this state at 12:01 a.m. on October 1, 2024, and is computed at the
7 rate of eighty percent (80%) of the wholesale cost of electronic nicotine-delivery system products
8 on October 1, 2024. Each person subject to the payment of the tax imposed by this section shall,
9 on or before October 16, 2024, file a return, under oath or certified under the penalties of perjury,
10 with the administrator on forms furnished by him or her, showing wholesale cost of electronic
11 nicotine-delivery system products in that person's possession in this state at 12:01 a.m. on October
12 1, 2024, as described in this section, and the amount of tax due, and shall at the time of filing the
13 return pay the tax to the administrator. Failure to obtain forms shall not be an excuse for the failure
14 to make a return containing the information required by the administrator.

15 (ii) For all electronic nicotine-delivery system products sold by licensed electronic
16 nicotine-delivery system products distributors, manufacturers and/or importers in Rhode Island as
17 of October 1, 2024: any person engaging in the business of distributing at wholesale electronic
18 nicotine-delivery system products in this state shall pay a tax measured by the wholesale cost of
19 electronic nicotine-delivery system products computed at the rate of eighty percent (80%) of the
20 wholesale cost of electronic nicotine-delivery system products.

21 (iii) Exemptions. The provisions of this chapter shall not apply to any product used for
22 research purposes by a bona fide educational or governmental organization.

23 (b) Prior to October 1, 2024: Any dealer having in his or her possession any other tobacco
24 products with respect to the storage or use of which a tax is imposed by this section shall, within
25 five (5) days after coming into possession of the other tobacco products in this state, file a return
26 with the tax administrator in a form prescribed by the tax administrator. The return shall be
27 accompanied by a payment of the amount of the tax shown on the form to be due. Records required
28 under this section shall be preserved on the premises described in the relevant license in such a
29 manner as to ensure permanency and accessibility for inspection at reasonable hours by authorized
30 personnel of the administrator.

31 Effective October 1, 2024, all other tobacco products, and electronic nicotine delivery
32 system products sold at wholesale in Rhode Island must be sold by a Rhode Island licensed
33 distributor, manufacturer or importer and purchases of other tobacco products and/or electronic
34 nicotine delivery system products from an unlicensed distributor, manufacturer or importer are

1 prohibited. Any other tobacco products and/or electronic nicotine delivery system products
2 purchased and/or obtained from an unlicensed person shall be subject to the terms of this chapter
3 including but not limited to section 44-20-15 and shall be taxed pursuant to section 44-20-13.2.

4 (c) The proceeds collected are paid into the general fund.

5 **44-20-15. Confiscation of contraband cigarettes, other tobacco products, electronic**
6 **nicotine-delivery system products, and other property.**

7 (a) All cigarettes, ~~and~~ other tobacco products, and/or electronic nicotine-delivery system
8 products that are held for sale or distribution within the borders of this state in violation of the
9 requirements of this chapter or federal law are declared to be contraband goods and may be seized
10 by the tax administrator or his or her agents, or employees, or by any sheriff, or his or her deputy,
11 or any police officer when directed by the tax administrator to do so, without a warrant. All
12 contraband goods seized by the state under this chapter shall be destroyed.

13 (b) All fixtures, equipment, and all other materials and personal property on the premises
14 of any distributor or dealer who, with the intent to defraud the state, fails to keep or make any
15 record, return, report, or inventory; keeps or makes any false or fraudulent record, return, report, or
16 inventory required by this chapter; refuses to pay any tax imposed by this chapter; or attempts in
17 any manner to evade or defeat the requirements of this chapter shall be forfeited to the state.

18 **44-20-33. Sale of contraband cigarettes, ~~or~~ contraband other tobacco products or**
19 **contraband electronic nicotine-delivery system products prohibited.**

20 No distributor shall sell, and no other person shall sell, offer for sale, display for sale, or
21 possess with intent to sell any contraband other tobacco products without written record of the
22 payment of tax imposed by this chapter, or contraband electronic nicotine-delivery system products
23 without written record of the payment of tax imposed by this chapter or contraband cigarettes, the
24 packages or boxes of which do not bear stamps evidencing the payment of the tax imposed by this
25 chapter.

26 **44-20-35. Penalties for violations as to unstamped contraband cigarettes, ~~or~~**
27 **contraband other tobacco products or contraband electronic nicotine-delivery system**
28 **products.**

29 (a) Any person who violates any provision of §§ 44-20-33 and 44-20-34 shall be fined or
30 imprisoned, or both fined and imprisoned, as follows:

31 (1) For a first offense in a twenty-four-month (24) period, fined not more than ten (10)
32 times the retail value of the contraband cigarettes, contraband electronic nicotine-delivery system
33 products, and/or contraband other tobacco products, or be imprisoned not more than one (1) year,
34 or be both fined and imprisoned;

1 (2) For a second or subsequent offense in a twenty-four-month (24) period, fined not more
2 than twenty-five (25) times the retail value of the contraband cigarettes, [contraband electronic](#)
3 [nicotine-delivery system products](#), and/or contraband other tobacco products, or be imprisoned not
4 more than three (3) years, or be both fined and imprisoned.

5 (b) When determining the amount of a fine sought or imposed under this section, evidence
6 of mitigating factors, including history, severity, and intent shall be considered.

7 **44-20-40. Records — Investigation and inspection of books, premises and stock.**

8 (a) Each manufacturer, importer, distributor and dealer shall maintain copies of invoices or
9 equivalent documentation for, or itemized for, each of its facilities for each transaction (other than
10 a retail transaction with a consumer) involving the sale, purchase, transfer, consignment, or receipt
11 of cigarettes, [other tobacco products and electronic nicotine-delivery system products](#). The invoices
12 or documentation shall show the name and address of the other party and the quantity by brand
13 style of the cigarettes, [other tobacco products and electronic nicotine-delivery system products](#)
14 involved in the transaction. All records and invoices required under this section must be safely
15 preserved for three (3) years in a manner to insure permanency and accessibility for inspection by
16 the administrator or his or her authorized agents.

17 (b) Records required under this section shall be preserved on the premises described in the
18 relevant license in such a manner as to ensure permanency and accessibility for inspection at
19 reasonable hours by authorized personnel of the administrator. With the administrator's permission,
20 persons with multiple places of business may retain centralized records, but shall transmit
21 duplicates of the invoices or the equivalent documentation to each place of business within twenty-
22 four (24) hours upon the request of the administrator or his or her designee.

23 (c) The administrator or his or her authorized agents may examine the books, papers,
24 reports and records of any manufacturer, importer, distributor or dealer in this state for the purpose
25 of determining whether taxes imposed by this chapter have been fully paid, and may investigate
26 the stock of cigarettes, [other tobacco products and/or electronic nicotine-delivery system products](#)
27 in or upon any premises for the purpose of determining whether the provisions of this chapter are
28 being obeyed. The administrator in his or her sole discretion may share the records and reports
29 required by such sections with law enforcement officials of the federal government or other states.

30 **44-20-40.1. Inspections.**

31 (a) The administrator or his or her duly authorized agent shall have authority to enter and
32 inspect, without a warrant during normal business hours, and with a warrant during nonbusiness
33 hours, the facilities and records of any manufacturer, importer, distributor, or dealer.

34 (b) In any case where the administrator or his or her duly authorized agent, or any police

1 officer of this state, has knowledge or reasonable grounds to believe that any vehicle is transporting
2 cigarettes, ~~or~~ other tobacco products or electronic nicotine-delivery system products in violation of
3 this chapter, the administrator, such agent, or such police officer, is authorized to stop such vehicle
4 and to inspect the same for contraband cigarettes, ~~or~~ contraband other tobacco products or
5 contraband electronic nicotine-delivery system products.

6 **44-20-43. Violations as to reports and records.**

7 Any person who fails to submit the reports required in this chapter or by the tax
8 administrator under this chapter, or who makes any incomplete, false, or fraudulent report, or who
9 refuses to permit the tax administrator or his or her authorized agent to examine any books, records,
10 papers, or stocks of cigarettes, ~~or~~ other tobacco products or electronic nicotine-delivery system
11 products as provided in this chapter, or who refuses to supply the tax administrator with any other
12 information which the tax administrator requests for the reasonable and proper enforcement of the
13 provisions of this chapter, shall be guilty of a misdemeanor punishable by imprisonment up to one
14 (1) year, or a fine of not more than five thousand dollars (\$5,000), or both, for the first offense, and
15 for each subsequent offense, shall be fined not more than ten thousand dollars (\$10,000), or be
16 imprisoned not more than five (5) years, or both.

17 **44-20-45. Importation of cigarettes, ~~and/or~~ other tobacco products, ~~and/or~~ electronic**
18 **nicotine-delivery system products with intent to evade tax.**

19 Any person, firm, corporation, club, or association of persons who or that orders any
20 cigarettes, ~~and/or~~ other tobacco products, and/or electronic nicotine-delivery system products for
21 another; or pools orders for cigarettes, ~~and/or~~ other tobacco products, and/or electronic nicotine-
22 delivery system products from any persons; or conspires with others for pooling orders; or receives
23 in this state any shipment of contraband cigarettes, ~~and/or~~ contraband other tobacco products,
24 and/or electronic nicotine-delivery system products on which the tax imposed by this chapter has
25 not been paid, for the purpose and intention of violating the provisions of this chapter or to avoid
26 payment of the tax imposed in this chapter, is guilty of a felony and shall be fined one hundred
27 thousand dollars (\$100,000) or five (5) times the retail value of the cigarettes, other tobacco
28 products, and/or electronic nicotine-delivery system products involved, whichever is greater, or
29 imprisoned not more than fifteen (15) years, or both.

30 **44-20-47. Hearings by tax administrator.**

31 Any person aggrieved by any action under this chapter of the tax administrator or his or
32 her authorized agent for which a hearing is not elsewhere provided may apply to the tax
33 administrator, in writing, within thirty (30) days of the action for a hearing, stating the reasons why
34 the hearing should be granted and the manner of relief sought. The tax administrator shall notify

1 the applicant of the time and place fixed for the hearing. After the hearing, the tax administrator
2 may make the order in the premises as may appear to the tax administrator just and lawful and shall
3 furnish a copy of the order to the applicant. The tax administrator may, by notice in writing, at any
4 time, order a hearing on his or her own initiative and require the taxpayer or any other individual
5 whom the tax administrator believes to be in possession of information concerning any
6 manufacture, importation, or sale of cigarettes, other tobacco products, and/or electronic nicotine-
7 delivery system products to appear before the tax administrator or his or her authorized agent with
8 any specific books of account, papers, or other documents, for examination relative to the hearing.

9 **44-20-51.1. Civil penalties.**

10 (a) Whoever omits, neglects, or refuses to comply with any duty imposed upon him/her by
11 this chapter, or to do, or cause to be done, any of the things required by this chapter, or does
12 anything prohibited by this chapter, shall, in addition to any other penalty provided in this chapter,
13 be liable as follows:

14 (1) For a first offense in a twenty-four-month (24) period, a penalty of not more than ten
15 (10) times the retail value of the cigarettes, ~~and/or~~ other tobacco products and/or electronic nicotine-
16 delivery system products involved; and

17 (2) For a second or subsequent offense in a twenty-four-month (24) period, a penalty of
18 not more than twenty-five (25) times the retail value of the cigarettes, ~~and/or~~ other tobacco products
19 and/or contraband electronic nicotine-delivery system products involved.

20 (b) Whoever omits, neglects, or refuses to comply with any duty imposed upon him/her by
21 this chapter, or to do, or cause to be done, any of the things required by this chapter, or does
22 anything prohibited by this chapter, ~~fails to pay any tax imposed by this chapter at the time~~
23 ~~prescribed by law or regulations,~~ shall, in addition to any other penalty provided in this chapter, be
24 liable for a penalty of one thousand dollars (\$1,000) or not more than five (5) times the tax due but
25 unpaid, whichever is greater.

26 (c) When determining the amount of a penalty sought or imposed under this section,
27 evidence of mitigating or aggravating factors, including history, severity, and intent, shall be
28 considered.

29 SECTION 18. Effective October 1, 2024, Chapter 44-20 of the General Laws entitled
30 "Cigarette and Other Tobacco Products Tax" is hereby amended by adding thereto the following
31 sections:

32 **44-20-60. Exemption of sales of certain electronic nicotine-delivery system products.**

33 Notwithstanding any provision of the general or public laws to the contrary, the sale of
34 electronic nicotine-delivery system products are exempted from the taxes imposed by this chapter

1 if they are subject to the taxes imposed by chapter 28.11 of title 21 and chapter 70 of this title.

2 **44-20-61. Product restrictions on electronic nicotine-delivery system products.**

3 (a) For purposes of this section, the following terms shall have the following meanings:

4 (1) "Characterizing flavor" means a distinguishable taste or aroma, other than the taste or
5 aroma of tobacco, distinguishable by an ordinary consumer, imparted either prior to, or during,
6 consumption of an electronic nicotine-delivery system product or component part thereof,
7 including, but not limited to, tastes or aromas relating to any fruit, mint, menthol, wintergreen,
8 chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, herb, or spice or which impart
9 a cooling or numbing sensation. The determination of whether an electronic nicotine-delivery
10 system product has a characterizing flavor shall not be based solely on the use of additives,
11 flavorings, or particular ingredients, but shall instead consider all aspects of a final product
12 including, but not limited to, taste, flavor and aroma, product labeling, and advertising statements.
13 A flavor shall be presumed to be a characterizing flavor if a dealer, manufacturer, or distributor has
14 made a statement or claim directed to consumers or the public about such flavor, whether expressed
15 or implied, that it has a distinguishable taste or aroma (other than the taste or aroma of tobacco).

16 (2) "Flavored electronic nicotine-delivery system product" means any electronic nicotine-
17 delivery system product that imparts a characterizing flavor.

18 (b) The sale, or offer for sale of, or the possession with intent to sell or to offer for sale,
19 flavored electronic nicotine-delivery system products to consumers within the State of Rhode
20 Island is hereby prohibited. Compassion centers and licensed cultivators registered with the State
21 of Rhode Island Department of Business Regulations- Office of Cannabis Regulation under chapter
22 28.6 of title 21 are exempt from this provision except as to products that contain, are made of, or
23 are derived from tobacco or nicotine, natural or synthetic.

24 **44-20-62. Disclosure of information-electronic nicotine-delivery system products**
25 **licensees.**

26 The department of health shall disclose to the tax administrator all information regarding
27 persons and entities who hold, or previously held, a license issued pursuant to § 23-1-56.

28 SECTION 19. Effective October 1, 2024, Section 44-20-6 of the General Laws in Chapter
29 44-20 entitled "Cigarette and Other Tobacco Products Tax" is hereby repealed.

30 ~~**44-20-6. Expiration and renewal of distributors' licenses.**~~

31 ~~Each distributor's license issued under the provisions of § 44-20-4 expires at midnight on~~
32 ~~May 31 next succeeding the date of issuance, unless sooner revoked by the tax administrator, as~~
33 ~~provided in § 44-20-8, or unless the business with respect to which the license was issued changes~~
34 ~~ownership, in either of which cases the holder of the license shall immediately return it to the tax~~

1 ~~administrator. The holder of each license may, annually, before the expiration date of the license~~
2 ~~then held by the licensee, renew his or her license for a further period of one year, on application~~
3 ~~accompanied by the fee prescribed in § 44-20-4.~~

4 SECTION 20. Effective October 1, 2024, Sections 44-20.1-3 of the General Laws in
5 Chapter 44-20.1 entitled "Delivery Sales of Cigarettes" is hereby amended to read as follows:

6 **44-20.1-3. Age Verification requirements.**

7 (a) No person, including but not limited to online retailers, shall mail, ship, or otherwise
8 deliver cigarettes, other tobacco products, or electronic nicotine delivery systems in connection
9 with a delivery sale unless such person prior to the first delivery sale to such consumer:

10 (1) Obtains from the prospective consumer a certification that includes:

11 (i) A reliable confirmation that the consumer is at least the legal minimum purchase age;

12 and

13 (ii) A statement signed by the prospective consumer in writing that certifies the prospective

14 consumer's address and that the consumer is at least ~~eighteen~~ twenty-one (~~18~~21) years of age. Such
15 statement shall also confirm:

16 (A) That the prospective consumer understands that signing another person's name to such
17 certification is illegal;

18 (B) That the sale of cigarettes to individuals under the legal minimum purchase age is
19 illegal;

20 (C) That the purchase of cigarettes by individuals under the legal minimum purchase age
21 is illegal under the laws of the state; and

22 (D) That the prospective consumer wants to receive mailings from a tobacco company;

23 (2) Makes a good faith effort to verify the information contained in the certification
24 provided by the prospective consumer pursuant to subsection (1) against a commercially available
25 database, or obtains a photocopy or other image of the valid, government-issued identification
26 stating the date of birth or age of the individual placing the order;

27 (3) Provides to the prospective consumer, via e-mail or other means, a notice that meets
28 the requirements of § 44-20.1-4; and

29 (4) In the case of an order for cigarettes pursuant to an advertisement on the Internet,
30 receives payment for the delivery sale from the prospective consumer by a credit or debit card that
31 has been issued in such consumer's name or by check.

32 (b) Persons accepting purchase orders for delivery sales may request that the prospective
33 consumers provide their e-mail addresses.

34 (c) The division of taxation, in consultation with the department of health, may promulgate

1 [rules and regulations pertaining to this section.](#)

2 SECTION 21. Effective January 1, 2025, Section 44-23-1 of the General Laws in Chapter
3 44-23 entitled "Estate and Transfer Taxes – Enforcement and Collection" is hereby amended to
4 read as follows:

5 **44-23-1. Statements filed by executors, administrators and heirs-at-law.**

6 (a) Every executor, administrator, and heir-at-law, within nine (9) months after the death
7 of the decedent, shall file with the tax administrator a statement under oath showing the full and
8 fair cash value of the estate, the amounts paid out from the estate for claims, expenses, charges, and
9 fees, and the statement shall also provide the names and addresses of all persons entitled to take
10 any share or interest of the estate as legatees or distributees of the estate.

11 (b) [For estates of decedents with a date of death prior to January 1, 2025,](#) ~~A~~ a fee of fifty
12 dollars (\$50.00) ~~is~~ **shall be** paid when filing any statement required by this section. All fees received
13 under this section are allocated to the tax administrator for enforcement and collection of taxes.

14 [\(c\) For estates of decedents with a date of death on or after January 1, 2025, no fee shall be](#)
15 [paid when filing any statement required by this section.](#)

16 SECTION 22. Effective January 1, 2025, Section 44-30-12 of the General Laws in Chapter
17 44-30 entitled "Personal Income Tax; Part II; Residents" is hereby amended to read as follows:

18 **44-30-12. Rhode Island income of a resident individual.**

19 (a) General. The Rhode Island income of a resident individual means his or her adjusted
20 gross income for federal income tax purposes, with the modifications specified in this section.

21 (b) Modifications increasing federal adjusted gross income. There shall be added to federal
22 adjusted gross income:

23 (1) Interest income on obligations of any state, or its political subdivisions, other than
24 Rhode Island or its political subdivisions;

25 (2) Interest or dividend income on obligations or securities of any authority, commission,
26 or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the
27 extent exempted by the laws of the United States from federal income tax but not from state income
28 taxes;

29 (3) The modification described in § 44-30-25(g);

30 (4)(i) The amount defined below of a nonqualified withdrawal made from an account in
31 the tuition savings program pursuant to § 16-57-6.1. For purposes of this section, a nonqualified
32 withdrawal is:

33 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal
34 Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-

1 6.1; and

2 (B) A withdrawal or distribution that is:

3 (I) Not applied on a timely basis to pay “qualified higher education expenses” as defined
4 in § 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

5 (II) Not made for a reason referred to in § 16-57-6.1(e); or

6 (III) Not made in other circumstances for which an exclusion from tax made applicable by
7 Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, pertains if the transfer, rollover,
8 withdrawal, or distribution is made within two (2) taxable years following the taxable year for
9 which a contributions modification pursuant to subsection (c)(4) of this section is taken based on
10 contributions to any tuition savings program account by the person who is the participant of the
11 account at the time of the contribution, whether or not the person is the participant of the account
12 at the time of the transfer, rollover, withdrawal or distribution;

13 (ii) In the event of a nonqualified withdrawal under subsection (b)(4)(i)(A) or (b)(4)(i)(B)
14 of this section, there shall be added to the federal adjusted gross income of that person for the
15 taxable year of the withdrawal an amount equal to the lesser of:

16 (A) The amount equal to the nonqualified withdrawal reduced by the sum of any
17 administrative fee or penalty imposed under the tuition savings program in connection with the
18 nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the
19 person’s federal adjusted gross income for the taxable year; and

20 (B) The amount of the person’s contribution modification pursuant to subsection (c)(4) of
21 this section for the person’s taxable year of the withdrawal and the two (2) prior taxable years less
22 the amount of any nonqualified withdrawal for the two (2) prior taxable years included in
23 computing the person’s Rhode Island income by application of this subsection for those years. Any
24 amount added to federal adjusted gross income pursuant to this subdivision shall constitute Rhode
25 Island income for residents, nonresidents and part-year residents;

26 (5) The modification described in § 44-30-25.1(d)(3)(i);

27 (6) The amount equal to any unemployment compensation received but not included in
28 federal adjusted gross income;

29 (7) The amount equal to the deduction allowed for sales tax paid for a purchase of a
30 qualified motor vehicle as defined by the Internal Revenue Code § 164(a)(6); and

31 (8) For any taxable year beginning on or after January 1, 2020, the amount of any Paycheck
32 Protection Program loan forgiven for federal income tax purposes as authorized by the Coronavirus
33 Aid, Relief, and Economic Security Act and/or the Consolidated Appropriations Act, 2021 and/or
34 any other subsequent federal stimulus relief packages enacted by law, to the extent that the amount

1 of the loan forgiven exceeds \$250,000, including an individual's distributive share of the amount
2 of a pass-through entity's loan forgiveness in excess of \$250,000.

3 (c) Modifications reducing federal adjusted gross income. There shall be subtracted from
4 federal adjusted gross income:

5 (1) Any interest income on obligations of the United States and its possessions to the extent
6 includible in gross income for federal income tax purposes, and any interest or dividend income on
7 obligations, or securities of any authority, commission, or instrumentality of the United States to
8 the extent includible in gross income for federal income tax purposes but exempt from state income
9 taxes under the laws of the United States; provided, that the amount to be subtracted shall in any
10 case be reduced by any interest on indebtedness incurred or continued to purchase or carry
11 obligations or securities the income of which is exempt from Rhode Island personal income tax, to
12 the extent the interest has been deducted in determining federal adjusted gross income or taxable
13 income;

14 (2) A modification described in § 44-30-25(f) or § 44-30-1.1(c)(1);

15 (3) The amount of any withdrawal or distribution from the "tuition savings program"
16 referred to in § 16-57-6.1 that is included in federal adjusted gross income, other than a withdrawal
17 or distribution or portion of a withdrawal or distribution that is a nonqualified withdrawal;

18 (4) Contributions made to an account under the tuition savings program, including the
19 "contributions carryover" pursuant to subsection (c)(4)(iv) of this section, if any, subject to the
20 following limitations, restrictions and qualifications:

21 (i) The aggregate subtraction pursuant to this subdivision for any taxable year of the
22 taxpayer shall not exceed five hundred dollars (\$500) or one thousand dollars (\$1,000) if a joint
23 return;

24 (ii) The following shall not be considered contributions:

25 (A) Contributions made by any person to an account who is not a participant of the account
26 at the time the contribution is made;

27 (B) Transfers or rollovers to an account from any other tuition savings program account or
28 from any other "qualified tuition program" under section 529 of the Internal Revenue Code, 26
29 U.S.C. § 529; or

30 (C) A change of the beneficiary of the account;

31 (iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal
32 adjusted gross income to less than zero (0);

33 (iv) The contributions carryover to a taxable year for purpose of this subdivision is the
34 excess, if any, of the total amount of contributions actually made by the taxpayer to the tuition

1 savings program for all preceding taxable years for which this subsection is effective over the sum
2 of:

3 (A) The total of the subtractions under this subdivision allowable to the taxpayer for all
4 such preceding taxable years; and

5 (B) That part of any remaining contribution carryover at the end of the taxable year which
6 exceeds the amount of any nonqualified withdrawals during the year and the prior two (2) taxable
7 years not included in the addition provided for in this subdivision for those years. Any such part
8 shall be disregarded in computing the contributions carryover for any subsequent taxable year;

9 (v) For any taxable year for which a contributions carryover is applicable, the taxpayer
10 shall include a computation of the carryover with the taxpayer's Rhode Island personal income tax
11 return for that year, and if for any taxable year on which the carryover is based the taxpayer filed a
12 joint Rhode Island personal income tax return but filed a return on a basis other than jointly for a
13 subsequent taxable year, the computation shall reflect how the carryover is being allocated between
14 the prior joint filers;

15 (5) The modification described in § 44-30-25.1(d)(1);

16 (6) Amounts deemed taxable income to the taxpayer due to payment or provision of
17 insurance benefits to a dependent, including a domestic partner pursuant to chapter 12 of title 36 or
18 other coverage plan;

19 (7) Modification for organ transplantation.

20 (i) An individual may subtract up to ten thousand dollars (\$10,000) from federal adjusted
21 gross income if he or she, while living, donates one or more of his or her human organs to another
22 human being for human organ transplantation, except that for purposes of this subsection, "human
23 organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract
24 modification that is claimed hereunder may be claimed in the taxable year in which the human
25 organ transplantation occurs.

26 (ii) An individual may claim that subtract modification hereunder only once, and the
27 subtract modification may be claimed for only the following unreimbursed expenses that are
28 incurred by the claimant and related to the claimant's organ donation:

29 (A) Travel expenses.

30 (B) Lodging expenses.

31 (C) Lost wages.

32 (iii) The subtract modification hereunder may not be claimed by a part-time resident or a
33 nonresident of this state;

34 (8) Modification for taxable Social Security income.

1 (i) For tax years beginning on or after January 1, 2016:

2 (A) For a person who has attained the age used for calculating full or unreduced Social
3 Security retirement benefits who files a return as an unmarried individual, head of household, or
4 married filing separate whose federal adjusted gross income for the taxable year is less than eighty
5 thousand dollars (\$80,000); or

6 (B) A married individual filing jointly or individual filing qualifying widow(er) who has
7 attained the age used for calculating full or unreduced Social Security retirement benefits whose
8 joint federal adjusted gross income for the taxable year is less than one hundred thousand dollars
9 (\$100,000), an amount equal to the Social Security benefits includible in federal adjusted gross
10 income.

11 (ii) Adjustment for inflation. The dollar amount contained in subsections (c)(8)(i)(A) and
12 (c)(8)(i)(B) of this section shall be increased annually by an amount equal to:

13 (A) Such dollar amount contained in subsections (c)(8)(i)(A) and (c)(8)(i)(B) of this
14 section adjusted for inflation using a base tax year of 2000, multiplied by;

15 (B) The cost-of-living adjustment with a base year of 2000.

16 (iii) For the purposes of this section the cost-of-living adjustment for any calendar year is
17 the percentage (if any) by which the consumer price index for the preceding calendar year exceeds
18 the consumer price index for the base year. The consumer price index for any calendar year is the
19 average of the consumer price index as of the close of the twelve-month (12) period ending on
20 August 31, of such calendar year.

21 (iv) For the purpose of this section the term “consumer price index” means the last
22 consumer price index for all urban consumers published by the department of labor. For the purpose
23 of this section the revision of the consumer price index which is most consistent with the consumer
24 price index for calendar year 1986 shall be used.

25 (v) If any increase determined under this section is not a multiple of fifty dollars (\$50.00),
26 such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a
27 married individual filing separate return, if any increase determined under this section is not a
28 multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple
29 of twenty-five dollars (\$25.00);

30 (9) Modification of taxable retirement income from certain pension plans or annuities.

31 (i) For tax years beginning on or after January 1, 2017, until the tax year beginning January
32 1, 2022, a modification shall be allowed for up to fifteen thousand dollars (\$15,000), and for tax
33 years beginning on or after January 1, 2023, [until the tax year beginning January 1, 2024](#), a
34 modification shall be allowed for up to twenty thousand dollars (\$20,000), [and for tax years](#)

1 beginning on or after January 1, 2025, a modification shall be allowed for up to fifty thousand
2 dollars (\$50,000), of taxable pension and/or annuity income that is included in federal adjusted
3 gross income for the taxable year:

4 (A) For a person who has attained the age used for calculating full or unreduced Social
5 Security retirement benefits who files a return as an unmarried individual, head of household, or
6 married filing separate whose federal adjusted gross income for such taxable year is less than the
7 amount used for the modification contained in subsection (c)(8)(i)(A) of this section an amount not
8 to exceed \$15,000 for tax years beginning on or after January 1, 2017, until the tax year beginning
9 January 1, 2022, and an amount not to exceed twenty thousand dollars (\$20,000) for tax years
10 beginning on or after January 1, 2023, until the tax year beginning January 1, 2024, and an amount
11 not to exceed fifty thousand dollars (\$50,000) for tax years beginning on or after January 1, 2025,
12 of taxable pension and/or annuity income includible in federal adjusted gross income; or

13 (B) For a married individual filing jointly or individual filing qualifying widow(er) who
14 has attained the age used for calculating full or unreduced Social Security retirement benefits whose
15 joint federal adjusted gross income for such taxable year is less than the amount used for the
16 modification contained in subsection (c)(8)(i)(B) of this section an amount not to exceed \$15,000
17 for tax years beginning on or after January 1, 2017, until the tax year beginning January 1, 2022,
18 and an amount not to exceed twenty thousand dollars (\$20,000) for tax years beginning on or after
19 January 1, 2023, until the tax year beginning January 1, 2024, and an amount not to exceed fifty
20 thousand dollars (\$50,000) for tax years beginning on or after January 1, 2025, of taxable pension
21 and/or annuity income includible in federal adjusted gross income.

22 (ii) Adjustment for inflation. The dollar amount contained by reference in subsections
23 (c)(9)(i)(A) and (c)(9)(i)(B) of this section shall be increased annually for tax years beginning on
24 or after January 1, 2018, by an amount equal to:

25 (A) Such dollar amount contained by reference in subsections (c)(9)(i)(A) and (c)(9)(i)(B)
26 of this section adjusted for inflation using a base tax year of 2000, multiplied by;

27 (B) The cost-of-living adjustment with a base year of 2000.

28 (iii) For the purposes of this section, the cost-of-living adjustment for any calendar year is
29 the percentage (if any) by which the consumer price index for the preceding calendar year exceeds
30 the consumer price index for the base year. The consumer price index for any calendar year is the
31 average of the consumer price index as of the close of the twelve-month (12) period ending on
32 August 31, of such calendar year.

33 (iv) For the purpose of this section, the term “consumer price index” means the last
34 consumer price index for all urban consumers published by the department of labor. For the purpose

1 of this section, the revision of the consumer price index which is most consistent with the consumer
2 price index for calendar year 1986 shall be used.

3 (v) If any increase determined under this section is not a multiple of fifty dollars (\$50.00),
4 such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a
5 married individual filing a separate return, if any increase determined under this section is not a
6 multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple
7 of twenty-five dollars (\$25.00).

8 (vi) For tax years beginning on or after January 1, 2022, the dollar amount contained by
9 reference in subsection (c)(9)(i)(A) shall be adjusted to equal the dollar amount contained in
10 subsection (c)(8)(i)(A), as adjusted for inflation, and the dollar amount contained by reference in
11 subsection (c)(9)(i)(B) shall be adjusted to equal the dollar amount contained in subsection
12 (c)(8)(i)(B), as adjusted for inflation;

13 (10) Modification for Rhode Island investment in opportunity zones. For purposes of a
14 taxpayer's state tax liability, in the case of any investment in a Rhode Island opportunity zone by
15 the taxpayer for at least seven (7) years, a modification to income shall be allowed for the
16 incremental difference between the benefit allowed under 26 U.S.C. § 1400Z-2(b)(2)(B)(iv) and
17 the federal benefit allowed under 26 U.S.C. § 1400Z-2(c);

18 (11) Modification for military service pensions.

19 (i) For purposes of a taxpayer's state tax liability, a modification to income shall be allowed
20 as follows:

21 (A) For the tax years beginning on January 1, 2023, a taxpayer may subtract from federal
22 adjusted gross income the taxpayer's military service pension benefits included in federal adjusted
23 gross income;

24 (ii) As used in this subsection, the term "military service" shall have the same meaning as
25 set forth in 20 C.F.R. § 212.2;

26 (iii) At no time shall the modification allowed under this subsection alone or in conjunction
27 with subsection (c)(9) exceed the amount of the military service pension received in the tax year
28 for which the modification is claimed; ~~and~~

29 (12) Any rebate issued to the taxpayer pursuant to § 44-30-103 to the extent included in
30 gross income for federal tax purposes; ~~and~~ and

31 (13) For tax years beginning on or after January 1, 2025, in the case of a taxpayer that is
32 licensed in accordance with chapters 28.6 and/or 28.11 of title 21, the amount equal to any
33 expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed under
34 26 U.S.C. § 280E.

1 (d) Modification for Rhode Island fiduciary adjustment. There shall be added to, or
2 subtracted from, federal adjusted gross income (as the case may be) the taxpayer’s share, as
3 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-
4 30-17.

5 (e) Partners. The amounts of modifications required to be made under this section by a
6 partner, which relate to items of income or deduction of a partnership, shall be determined under §
7 44-30-15.

8 SECTION 23. Section 44-34.1-2 of the General Laws in Chapter 44-34.1 entitled “Motor
9 Vehicle and Trailer Excise Tax Elimination Act of 1998” is hereby amended to read as follows:

10 **44-34.1-2. City, town, and fire district reimbursement.**

11 (a) In fiscal years 2024 and thereafter, cities, towns, and fire districts shall receive
12 reimbursements, as set forth in this section, from state general revenues ~~equal to the amount of lost~~
13 ~~tax revenue~~ due to the phase out of the excise tax. ~~When the tax is phased out, cities, towns, and~~
14 ~~fire districts shall receive a permanent distribution of sales tax revenue pursuant to § 44-18-18 in~~
15 ~~an amount equal to any lost revenue resulting from the excise tax elimination.~~

16 (b)(1) In fiscal ~~year~~ years 2024 and thereafter, cities, towns, and fire districts shall receive
17 the following reimbursement amounts:

18	Barrington	\$ 5,894,822
19	Bristol	\$ 2,905,818
20	Burrillville	\$ 5,053,933
21	Central Falls	\$ 2,077,974
22	Charlestown	\$ 1,020,877
23	Coventry	\$ 5,872,396
24	Cranston	\$ 22,312,247
25	Cumberland	\$ 6,073,469
26	East Greenwich	\$ 2,417,332
27	East Providence	\$ 11,433,479
28	Exeter	\$ 2,241,381
29	Foster	\$ 1,652,251
30	Glocester	\$ 2,381,941
31	Hopkinton	\$ 1,629,259
32	Jamestown	\$ 622,793
33	Johnston	\$ 10,382,785
34	Lincoln	\$ 5,683,015

1	Little Compton	\$ 366,775
2	Middletown	\$ 1,976,448
3	Narragansett	\$ 1,831,251
4	Newport	\$ 2,223,671
5	New Shoreham	\$ 163,298
6	North Kingstown	\$ 5,378,818
7	North Providence	\$ 9,619,286
8	North Smithfield	\$ 4,398,531
9	Pawtucket	\$ 16,495,506
10	Portsmouth	\$ 2,414,242
11	Providence	\$ 34,131,596
12	Richmond	\$ 1,448,455
13	Scituate	\$ 1,977,127
14	Smithfield	\$ 7,098,694
15	South Kingstown	\$ 3,930,455
16	Tiverton	\$ 1,748,175
17	Warren	\$ 2,090,911
18	Warwick	\$ 25,246,254
19	Westerly	\$ 5,765,523
20	West Greenwich	\$ 1,331,725
21	West Warwick	\$ 5,673,744
22	Woonsocket	\$ 9,324,776
23	Lime Rock Fire District	\$ 133,933
24	Lincoln Fire District	\$ 208,994
25	Manville Fire District	\$ 64,862
26	Quinnville Fire District	\$ 13,483

27 (2) In fiscal year 2024, funds shall be distributed to the cities, towns, and fire districts as
28 follows:

- 29 (i) On August 1, 2023, twenty-five percent (25%) of the funds.
- 30 (ii) On November 1, 2023, twenty-five percent (25%) of the funds.
- 31 (iii) On February 1, 2024, twenty-five percent (25%) of the funds.
- 32 (iv) On May 1, 2024, twenty-five percent (25%) of the funds.

33 The funds shall be distributed to each city, town, and fire district in the same proportion as
34 distributed in fiscal year 2023.

1 (3) For the city of East Providence, the payment schedule is twenty-five percent (25%) on
2 November 1, 2023, twenty-five percent (25%) on February 1, 2024, twenty-five percent (25%) on
3 May 1, 2024, and twenty-five percent (25%) on August 1, 2024.

4 (4) On any of the payment dates specified in subsections (b)(2)(i) through (b)(2)(iv) or
5 (b)(3) of this section, the director of revenue is authorized to deduct previously made over-
6 payments or add supplemental payments as may be required to bring the reimbursements into full
7 compliance with the requirements of this chapter.

8 ~~(e) When the tax is phased out to August 1, of the following fiscal year the director of~~
9 ~~revenue shall calculate to the nearest thousandth of one cent (\$0.00001) the number of cents of~~
10 ~~sales tax received for the fiscal year ending June 30, of the year following the phase out equal to~~
11 ~~the amount of funds distributed to the cities, towns, and fire districts under this chapter during the~~
12 ~~fiscal year following the phase out and the percent of the total funds distributed in the fiscal year~~
13 ~~following the phase out received by each city, town, and fire district, calculated to the nearest one-~~
14 ~~hundredth of one percent (0.01%). The director of the department of revenue shall transmit those~~
15 ~~calculations to the governor, the speaker of the house, the president of the senate, the chairperson~~
16 ~~of the house finance committee, the chairperson of the senate finance committee, the house fiscal~~
17 ~~advisor, and the senate fiscal advisor. The number of cents, applied to the sales taxes received for~~
18 ~~the prior fiscal year, shall be the basis for determining the amount of sales tax to be distributed to~~
19 ~~the cities, towns, and fire districts under this chapter for the second fiscal year following the phase-~~
20 ~~out and each year thereafter. The cities, towns, and fire districts shall receive that amount of sales~~
21 ~~tax in the proportions calculated by the director of revenue as that received in the fiscal year~~
22 ~~following the phase out.~~

23 ~~(d)~~ (c) In fiscal years 2025 and thereafter, twenty-five percent (25%) of the funds shall be
24 distributed to the cities, towns, and fire districts on August 1, 2024, and every August 1 thereafter;
25 twenty-five percent (25%) shall be distributed on November 1, 2024, and every November 1
26 thereafter; twenty-five percent (25%) shall be distributed on February 1, 2025, and every February
27 1 thereafter; and twenty-five percent (25%) shall be distributed on May 1, 2025, and every May 1
28 thereafter.

29 ~~(e)~~ (d) For the city of East Providence, in fiscal years 2025 and thereafter, twenty-five
30 percent (25%) shall be distributed on November 1, 2024, and every November 1 thereafter, twenty-
31 five percent (25%) shall be distributed on February 1, 2025, and every February 1 thereafter;
32 twenty-five percent (25%) shall be distributed on May 1, 2025, and every May 1 thereafter; and
33 twenty-five percent (25%) of the funds shall be distributed on August 1, 2025, and every August 1
34 thereafter.

1 SECTION 24. Effective January 1, 2025, Sections 46-12-39.1, 46-12-40 and 46-12-41 of
2 the General Laws in Chapter 46-12 entitled "Water Pollution" is hereby amended to read as follows:

3 **46-12-39.1. No discharge awareness and education ~~certificate decal~~ – Required.**

4 (a) Definitions. As used in this section and in conjunction with this chapter, the following
5 terms shall be construed as follows:

6 (1) ~~"Certification agent" means a marina or boatyard which is capable of installing sewage~~
7 ~~disposal holding tanks and related equipment; a certified marine sewage pump out facility,~~
8 ~~including a mobile facility; other established marine businesses, included, but not limited to, marine~~
9 ~~surveyors and mobile marine repair facilities, that are experienced in the evaluation, repair and/or~~
10 ~~installation of boat sewage systems; and local harbor masters and assistant harbor masters. "Marine~~
11 ~~sanitation device" means either a marine sanitation device-type I, a marine sanitation device-type~~
12 ~~II, or a marine sanitation device-type III with a holding tank and through-hull fitting that would~~
13 ~~allow sewage to be discharged overboard.~~

14 (b) ~~No person shall operate or moor for more than thirty (30) days, a boat in the waters of~~
15 ~~the state, that has a permanently installed marine toilet unless such boat displays in a prominent~~
16 ~~position an approved "no discharge certificate decal." At the time of registration, a boat owner shall~~
17 ~~be provided with educational material notifying them that, if the recipient boat has a marine~~
18 ~~sanitation device, the marine sanitation device must be properly secured in a manner that prevents~~
19 ~~overboard discharges when operating in Rhode Island waters consistent with R.I. Gen. Laws § 46-~~
20 ~~12-39.~~

21 (c) ~~Subsection 45-12-39.1(b) shall not apply to any vessel carrying a valid certificate of~~
22 ~~inspection issued by the U.S. Coast Guard pursuant to title 46 of the U.S. Code.~~

23 (d) ~~Two (2) no discharge certificate decals, differing in color, shall be made available by~~
24 ~~the department of environmental management for issuance to boats subject to the requirements of~~
25 ~~this section.~~

26 (1) ~~Decals of one color shall signify that the recipient boat has a marine toilet, in proper~~
27 ~~working order, which is either a marine sanitation device-type I, a marine sanitation device-type II,~~
28 ~~or a marine sanitation device-type III with a holding tank and through-hull fitting that would allow~~
29 ~~sewage to be discharged overboard, but the boat owner or operator had taken the steps necessary~~
30 ~~to prevent the discharge of sewage into the waters of the state.~~

31 (2) ~~Decals of the other color shall signify that the recipient boat either has a marine~~
32 ~~sanitation device-type III with a holding tank and no through-hull fitting that would allow sewage~~
33 ~~to be discharged overboard, or no marine toilet at all.~~

34 (e) ~~Certification shall remain in effect for forty-eight (48) months after each certification,~~

1 ~~and no additional certification shall be required during that period.~~

2 ~~(f) The department of environmental management shall collect and deposit into a separate~~
3 ~~general revenue account a fee of ten dollars (\$10.00) for each certificate to defray the cost of~~
4 ~~implementation of this section.~~

5 ~~(g) Certificate decals may be obtained from any certification agent.~~

6 ~~(h) Before a certificate decal may be issued, a certification agent must visually inspect each~~
7 ~~permanently installed marine toilet on a boat, as well as any associated plumbing or holding tank~~
8 ~~fixtures, to ascertain whether the boat is in compliance with § 46-12-39. If necessary, the~~
9 ~~certification agent shall perform a color-dye flush test of each toilet to verify compliance.~~

10 ~~(i) For inspections conducted pursuant to this section, certification agents may collect and~~
11 ~~retain a fee, not to exceed twenty-five dollars (\$25.00) for each permanently installed marine toilet~~
12 ~~aboard each boat. This fee shall be in addition to the minimum ten dollar (\$10.00) fee for each~~
13 ~~decal issued, which certification agents shall collect and forward to the department of~~
14 ~~environmental management pursuant to subsection (f) above.~~

15 **46-12-40. Penalty for violations.**

16 (a) Every person in violation of § 46-12-39 or owning, operating or causing to be operated,
17 upon the waters of the state, a boat in violation of the provisions of § 46-12-39 or aiding in so doing,
18 shall for the first offense be punished by a fine of not more than five hundred dollars (\$500), or be
19 imprisoned for not more than one year in the adult correctional institutions, or both such fine and
20 imprisonment, and for a second and each subsequent offense shall be fined not more than one
21 thousand dollars (\$1,000), or be imprisoned for not more than one year in the adult correctional
22 institutions, or both such fine and imprisonment, in the discretion of the court. If a municipality
23 assists in the prosecution of a violation of § 46-12-39 any fine imposed for that violation shall be
24 paid one-half (½) thereof to the general treasurer of the state and one-half (½) thereof to the
25 treasurer of the town or city where the offense occurred.

26 ~~(b) Every person in violation of § 46-12-39.1, or owning, operating or causing to be~~
27 ~~operated, upon the waters of the state, a boat in violation of the provisions of § 46-12-39.1, shall~~
28 ~~be guilty of a civil violation and subject to a fine of up to one hundred dollars (\$100). If a~~
29 ~~municipality assists in the prosecution of a violation of § 46-12-39.1, any fine imposed for that~~
30 ~~violation shall be paid one-half (½) thereof to the general treasurer of the state and one-half (½)~~
31 ~~thereof to the treasurer of the town or city where the offense occurred.~~

32 (eb) Notwithstanding any inconsistent provision of law, the municipal court shall have
33 concurrent jurisdiction with the district court to hear and adjudicate violations under this section.

34 **46-12-41. Enforcement.**

1 (a) The department of environmental management, harbormasters, assistant harbormasters,
2 police officers authorized to make arrests, and employees of the department of environmental
3 management authorized to enforce the provisions of chapter 22 of this title shall have the authority
4 to enforce the provisions of § 46-12-39 ~~and § 46-12-39.1~~. In the exercise of enforcing the provisions
5 of § 46-12-39 they shall have the authority to stop and board any vessel subject to this chapter,
6 regardless of whether the vessel is under way, making way, docked, or moored.

7 (b) Harbormasters and assistant harbormasters are authorized to make periodic color dye
8 flush tests of boats ~~subject to § 46-12-39.1~~, and may check ~~such~~ boats moored in their jurisdictions
9 for ~~no discharge certificate decals, as required pursuant to § 46-12-39.1~~ compliance with § 46-12-
10 39.

11 (c) Municipalities of the state may deny a mooring permit to any boat not in compliance
12 with § ~~46-12-39.1~~ 46-12-39.

13 SECTION 25. All sections shall take effect upon passage, except for Sections 14 and 15
14 which shall be effective September 1, 2024, and Sections 6, 16, 17, 18, 19, and 20, which shall be
15 effective October 1, 2024, and Sections 8, 9, 12, 13, 21, 22, and 24, which shall be effective on
16 January 1, 2025.