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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

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

Introduced By: Senators Britto, McKenney, Bissaillon, Gu, Tikoian, Urso, Kallman,
Vargas, Dimitri, and Patalano

Date Introduced: February 26, 2025

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes — Liability
2 and Computation" is hereby amended by adding thereto the following section:

3 **44-18-18.2. Rhode Island public transit authority operations allocation.**

4 (a) All sales and use tax revenue collected from transportation network companies, as
5 defined in § 44-18-7.3, shall be deposited in a restricted receipt account for the benefit of the Rhode
6 Island public transit authority.

7 (b) There is created within the general fund a restricted receipt account known as the
8 “Rhode Island public transit authority account”. Revenue collected from transportation network
9 companies pursuant to subsection (a) of this section shall be deposited into this account and used
10 to fund operations related to the Rhode Island public transit authority.

11 (c) The account created under this section shall be exempt from the indirect cost recovery
12 provision set forth in § 35-4-27.

13 SECTION 2. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
14 is hereby amended to read as follows:

15 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

16 Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all
17 restricted receipt accounts, to be recorded as general revenues in the general fund. However, there
18 shall be no transfer from cash receipts with restrictions received exclusively: (1) From contributions

1 from nonprofit charitable organizations; (2) From the assessment of indirect cost-recovery rates on
2 federal grant funds; or (3) Through transfers from state agencies to the department of administration
3 for the payment of debt service. These indirect cost recoveries shall be applied to all accounts,
4 unless prohibited by federal law or regulation, court order, or court settlement. The following
5 restricted receipt accounts shall not be subject to the provisions of this section:

6 Executive Office of Health and Human Services
7 Organ Transplant Fund
8 HIV Care Grant Drug Rebates
9 Health System Transformation Project
10 Rhode Island Statewide Opioid Abatement Account
11 HCBS Support-ARPA
12 HCBS Admin Support-ARPA
13 Department of Human Services
14 Veterans' home — Restricted account
15 Veterans' home — Resident benefits
16 Pharmaceutical Rebates Account
17 Demand Side Management Grants
18 Veteran's Cemetery Memorial Fund
19 Donations — New Veterans' Home Construction
20 Commodity Supplemental Food Program-Claims
21 Department of Health
22 Pandemic medications and equipment account
23 Miscellaneous Donations/Grants from Non-Profits
24 State Loan Repayment Match
25 Healthcare Information Technology
26 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
27 Eleanor Slater non-Medicaid third-party payor account
28 Hospital Medicare Part D Receipts
29 RICLAS Group Home Operations
30 Group Home Facility Improvement Fund
31 Commission on the Deaf and Hard of Hearing
32 Emergency and public communication access account
33 Department of Environmental Management
34 National heritage revolving fund

1 Environmental response fund II
2 Underground storage tanks registration fees
3 De Coppet Estate Fund
4 Rhode Island Historical Preservation and Heritage Commission
5 Historic preservation revolving loan fund
6 Historic Preservation loan fund — Interest revenue
7 Department of Public Safety
8 E-911 Uniform Emergency Telephone System
9 Forfeited property — Retained
10 Forfeitures — Federal
11 Forfeited property — Gambling
12 Donation — Polygraph and Law Enforcement Training
13 Rhode Island State Firefighter’s League Training Account
14 Fire Academy Training Fees Account
15 Attorney General
16 Forfeiture of property
17 Federal forfeitures
18 Attorney General multi-state account
19 Forfeited property — Gambling
20 Department of Administration
21 OER Reconciliation Funding
22 Health Insurance Market Integrity Fund
23 RI Health Benefits Exchange
24 Information Technology restricted receipt account
25 Restore and replacement — Insurance coverage
26 Convention Center Authority rental payments
27 Investment Receipts — TANS
28 OPEB System Restricted Receipt Account
29 Car Rental Tax/Surcharge-Warwick Share
30 Grants Management Administration
31 RGGI-Executive Climate Change Coordinating Council Projects
32 Electric Vehicle Charging Stations Operating and Maintenance Account
33 Department of Housing
34 Housing Resources and Homelessness Restricted Receipt Account

1 Housing Production Fund
2 Low-Income Housing Tax Credit Fund
3 Department of Revenue
4 DMV Modernization Project
5 Jobs Tax Credit Redemption Fund
6 Legislature
7 Audit of federal assisted programs
8 Department of Children, Youth and Families
9 Children's Trust Accounts — SSI
10 Military Staff
11 RI Military Family Relief Fund
12 RI National Guard Counterdrug Program
13 Treasury
14 Admin. Expenses — State Retirement System
15 Retirement — Treasury Investment Options
16 Defined Contribution — Administration - RR
17 Violent Crimes Compensation — Refunds
18 Treasury Research Fellowship
19 Business Regulation
20 Banking Division Reimbursement Account
21 Office of the Health Insurance Commissioner Reimbursement Account
22 Securities Division Reimbursement Account
23 Commercial Licensing and Racing and Athletics Division Reimbursement Account
24 Insurance Division Reimbursement Account
25 Historic Preservation Tax Credit Account
26 Marijuana Trust Fund
27 Social Equity Assistance Fund
28 Judiciary
29 Arbitration Fund Restricted Receipt Account
30 Third-Party Grants
31 RI Judiciary Technology Surcharge Account
32 Department of Elementary and Secondary Education
33 Statewide Student Transportation Services Account
34 School for the Deaf Fee-for-Service Account

- 1 School for the Deaf — School Breakfast and Lunch Program
- 2 Davies Career and Technical School Local Education Aid Account
- 3 Davies — National School Breakfast & Lunch Program
- 4 School Construction Services
- 5 Office of the Postsecondary Commissioner
- 6 Higher Education and Industry Center
- 7 IGT STEM Scholarships
- 8 Department of Labor and Training
- 9 Job Development Fund
- 10 Contractor Training Restricted Receipt Account
- 11 Rhode Island Council on the Arts
- 12 Governors' Portrait Donation Fund
- 13 Statewide records management system account
- 14 [Rhode Island public transit authority account](#)
- 15 SECTION 3. This act shall take effect on July 1, 2025.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND
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1 This act would establish a restricted receipt account for the benefit of the Rhode Island
2 public transit authority for use to fund its operations, funded by sales taxes collected from ride-
3 share companies, which account would be exempt from indirect cost recovery provisions.

4 This act would take effect on July 1, 2025.

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