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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

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

Introduced By: Senators Britto, McKenney, Burke, and Murray

Date Introduced: March 20, 2026

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 fifteen percent (15%) of cash receipts shall be transferred from  
17 all restricted receipt accounts, to be recorded as general revenues in the general fund. However,  
18 there shall be no transfer from cash receipts with restrictions received exclusively: (1) From

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

- 6 Executive Office of Health and Human Services
- 7 HIV Care Grant Drug Rebates
- 8 Health System Transformation Project
- 9 Rhode Island Statewide Opioid Abatement Account
- 10 HCBS Support-ARPA
- 11 HCBS Admin Support-ARPA
- 12 Department of Human Services
- 13 Organ Transplant Fund
- 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 Health Insurance Market Integrity Fund  
22 RI Health Benefits Exchange  
23 Information Technology restricted receipt account  
24 Restore and replacement — Insurance coverage  
25 Convention Center Authority rental payments  
26 Investment Receipts — TANS  
27 OPEB System Restricted Receipt Account  
28 Grants Management Administration  
29 Office of Energy Resources  
30 OER Reconciliation Funding  
31 RGGI Executive Climate Change Coordinating Council Projects  
32 Electric Vehicle Charging Stations Operating and Maintenance Account  
33 Clean Transportation Programs  
34 Department of Housing

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

- 1 Department of Elementary and Secondary Education
- 2 Statewide Student Transportation Services Account
- 3 School for the Deaf Fee-for-Service Account
- 4 School for the Deaf — School Breakfast and Lunch Program
- 5 Davies Career and Technical School Local Education Aid Account
- 6 Davies — National School Breakfast & Lunch Program
- 7 School Construction Services
- 8 Office of the Postsecondary Commissioner
- 9 Tuition Savings Program Fund
- 10 Higher Education and Industry Center
- 11 IGT STEM Scholarships
- 12 Department of Labor and Training
- 13 Job Development Fund
- 14 Contractor Training Restricted Receipt Account
- 15 Workers' Compensation Administrative Account
- 16 Rhode Island Council on the Arts
- 17 Governors' Portrait Donation Fund
- 18 Statewide records management system account
- 19 [Rhode Island public transit authority account](#)
- 20 SECTION 3. This act shall take effect on July 1, 2026.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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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, 2026.

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