



Rhode Island Department of Revenue

Division of Taxation

Via Electronic Mail

April 8, 2025

The Honorable Joseph J. Solomon, Jr.
Chair, House Committee on Corporations
Rhode Island State House
Providence, RI 02903

RE: Letter Regarding House Bill 6056 – An Act Relating to Food and Drugs – The Rhode Island Hemp THC-Infused Beverages Act

Dear Chair Solomon:

I am writing on behalf of the Rhode Island Department of Revenue, Division of Taxation (“Division”), to: i) express concerns regarding issues with proposed House Bill 6056 as currently drafted; ii) explain the background and current statutory context in order to clarify the intended and unintended consequences of this bill; and iii) make recommendations and request your support in implementing those recommendations.

This letter is not intended as a position in support of or opposition to the bill, but only as recommendations on drafting to provide clarity in the bill and to aid tax administration and compliance.

As you know, this bill would amend Title 21 of the Rhode Island General Laws, entitled “Food and Drugs,” to add a new Chapter 21-28.12 (“The Rhode Island Hemp THC-Infused Beverages Act”), which would authorize the sale of THC-infused beverages to be regulated by the Department of Business Regulation Division of Commercial Licensing (“DBR”). The bill would also establish licensing and an endorsement process for wholesale and retail THC-infused beverages. The bill is set to be effective upon passage.

There are several potential issues with the sections of bill that pertain to taxation that impact tax administration, including, but not limited to:

- While it appears that proposed § 21-28.12-4(e)’s intent may be to impose an excise tax similar to that imposed on alcoholic beverages under Chapter 3-10, the taxes must be assessed and levied by the tax administrator, not DBR. Additionally, despite how the bill is currently drafted, sales tax and litter tax are not administered under Chapter 3-10. The bill should be redrafted to correct those issues. Specifically, the excise tax should be in a separate Taxation chapter under Title 44, and the bill should be redrafted to make sure there is consistency in the taxes imposed.
- The bill as currently drafted conflates fees with taxes. Additionally, it authorizes DBR to “revoke, place conditions upon or suspend any certificate, license, permit, registration, endorsement or other credential the department has issued to or for such business” based on nonpayment of the “fees” imposed. However, given taxpayer confidentiality

considerations, the Division would not be able to advise DBR if the taxes had been remitted.

- The bill is effective upon passage. However, if the Division were to administer the new tax, the Division respectfully requests that the effective date be prospective and for tax years beginning on or after January 1, 2026, to allow time for implementation of the new tax, which will require instructions, form, and system updates.

The Division takes no position with respect to the remainder of the proposed legislation. Rather, the Division is concerned solely with the issues of clarity, tax compliance, and tax administration. As such, the Division respectfully suggests that the bill be redrafted for clarity.

I look forward to working with you to address the issues raised in this letter and appreciate your consideration.

Very truly yours,



Neena S. Savage
Tax Administrator

cc: The Honorable Members of the House Committee on Corporations (via: HouseCorporations@rilegislature.gov)
The Honorable Jacquelyn M. Baginski (via: rep-baginski@rilegislature.gov)
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House
Lynne Urbani, Director of House Policy
Thomas A. Verdi, Director, Department of Revenue