



May 15, 2024

Honorable Marvin Abney
Chairman, House Finance Committee
State House
Providence, RI 02903

RE: H.7678 – An Act Relating to Public Utilities and Carriers – Transportation Network Company Services

Dear Chairman Abney and Committee Members,

The undersigned members of the Rhode Island Business Coalition oppose the passage of H.7678 – An Act Relating to Public Utilities and Carriers – Transportation Network Company Services.

This bill imposes a seventy-five cent surcharge on fares charged by rideshare companies. Fifty percent of the surcharge would be deposited in a restricted account to be used for street improvements in the municipality where the fare originated, and fifty percent (50%) of the surcharge would be deposited in a restricted account to fund Transit Forward RI.

In 2016, the State began collecting the seven percent (7%) sales tax on rideshare services. H.7678 now seeks to tax the industry twice by adding the seventy-five cent surcharge on top of the sales tax. If passed Rhode Island would become the only state in the country to place both a sales tax and a surcharge on this service. This is in stark contrast to the more than half the states in the country that have no sales tax or fees associated with TNC rides..

For these reasons we urge the committee to take no further action on H.7678.

Sincerely,

Associated Builders and Contractors, Rhode Island
Greater Newport Chamber of Commerce
Rhode Island Beverage Association
Rhode Island Business Group on Health
Rhode Island Hospitality Association

Rhode Island Manufacturers Association

Rhode Island Marine Trades Association

Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Society of Certified Public Accountants

Rhode Island Staffing Association

Tech Net

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.