

RHODE ISLAND GOVERNMENT REGISTER
PUBLIC NOTICE OF PROPOSED RULEMAKING

DEPARTMENT OF REVENUE

Title of Rule: Modifications to Net Income Due to Decoupling from P.L. 119-21, H.R.1 (2025)

Rule Identifier: 280-RICR-20-25-17

Rulemaking Action: Proposed Adoption

Important Dates:

Date of Public Notice: February 16, 2026

Hearing Date: February 26, 2026

End of Public Comment: March 18, 2026

Rulemaking Authority:

R.I. Gen. Laws § 44-1-4

R.I. Gen. Laws § 44-11-9

R.I. Gen. Laws § 44-11-11(a)(1)(viii)

Summary of Rulemaking Action:

This regulation implements R.I. Gen. Laws § 44-11-11(a)(1)(viii), which amends the definition of net income for Rhode Island Business Corporation Tax purposes to include as increasing modifications certain federal income, deductions, or allowances that would be subject to federal income tax for the taxable years beginning on or before January 1, 2025, but for the enactment of the federal law commonly known as the One Big Beautiful Bill Act (Public Laws No.: 119-21, H.R.1, 119th Cong. (2025)) ("H.R.1"). H.R.1 includes tax provisions that impact tax filing for certain filers for Tax Year 2025 as well as retroactive tax provisions that could impact Tax Years 2022, 2023, and 2024.

Pursuant to R.I. Gen. Laws § 44-11-11(a)(1)(viii), Rhode Island decoupled from H.R.1 for the taxable years beginning on or before January 1, 2025, with respect to certain provisions. As a result of decoupling, any income, deduction, or allowance that would be subject to federal income tax for taxable years beginning on or before January 1, 2025, but for the enactment of H.R.1, must be included in net income for Rhode Island Business Corporation Tax purposes to preserve the Rhode Island tax base.

Additional Information and Public Comments:

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed adoption until March 18, 2026 by contacting the appropriate party at the address listed below:

Bethany M. Whitmarsh
Department of Revenue
1 Capitol Hill
Providence, RI 02908
bethany.whitmarsh@tax.ri.gov

Public Hearing:

A public hearing, in accordance with R.I. Gen. Laws § 42-35-2.5, to consider the proposed adoption shall be held at which time and place all persons interested therein will be heard. This hearing is subject to R.I. Gen. Laws Chapter 42-46, Open Meetings.

Public Hearing Information:

Date: February 26, 2026

Time: 2:00 P.M.

Location: 1 Capitol Hill
DOA Conference Room 2B
Providence, RI, 02908

The seating capacity of the room will be enforced and, therefore, the number of persons participating in the hearing may be limited at any given time by the hearing officer in order to comply with safety and fire codes.

The place of the public hearing is accessible to individuals with disabilities. If communication assistance (readers/interpreters/captioners) is needed, or any other accommodation to ensure equal participation, please call 401-574-8922 or RI Relay 711 at least three (3) business days prior to the meeting so arrangements can be made to provide such assistance at no cost to the person requesting. For questions regarding available parking, please contact the agency staffperson listed above.

Regulatory Analysis Summary and Supporting Documentation:

This regulation implements R.I. Gen. Laws § 44-11-11(a)(1)(viii). The purpose of this regulation is to provide guidance to taxpayers to aid effective voluntary compliance in light of the new and retroactive statutory mandate.

For full regulatory analysis or supporting documentation contact the agency staffperson listed above.