

2015 -- H 5340

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO TAXATION -- PUBLIC SERVICE CORPORATION TAX

Introduced By: Representatives Filippi, Shekarchi, Edwards, Solomon, and Reilly

Date Introduced: February 05, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 39-1 of the General Laws entitled "Public Utilities Commission" is
2 hereby amended by adding thereto the following section:

3 **39-1-63. Moratorium on taxes due to electric rate increases that pass through to**
4 **customers. -- (a) Notwithstanding the provision of any statute, law, ordinance, rule or regulation**
5 **to the contrary, any increase in rate greater than that in effect on December 31, 2014, which shall**
6 **be allowed by the public utilities commission to every corporation whose principal business is**
7 **manufacturing, selling, distributing and/or transmitting electricity to be used for light, heat or**
8 **motive power, shall be exempt from the public service corporation tax and the sales tax which are**
9 **applied, imposed upon or passed through to customers.**

10 **(b) The provisions of this section shall apply to, but are not limited to, taxes, tariffs,**
11 **charges and/or increases imposed pursuant to the following:**

12 **(1) Charges pursuant to the low income home energy assistance program (LIHEAP,) §**
13 **39-1-27.12;**

14 **(2) Transition charges pursuant to § 39-1-27.4;**

15 **(3) Renewable energy charges pursuant to § 39-26-4;**

16 **(4) Tariffs proposed and approved pursuant to the renewable energy growth program, §**
17 **39-26.6-5;**

18 **(5) Increases relating to distribution generation contracts in accordance with chapter 26.2**
19 **of this title;**

1 (6) Fees associated with distribution generation interconnection pursuant to chapter 26.3
2 of this title;

3 (7) Increases relating to long-term contracts pursuant to the affordable clean energy
4 security act, § 39-31-1 et seq.; and

5 (8) Taxes imposed pursuant to the public service corporation tax § 44-13-4.

6 (c) Every invoice sent by such corporations shall clearly indicate that such tax, charge,
7 tariff or fee is not being collected or imposed on customers.

8 SECTION 2. Section 44-13-4 of the General Laws in Chapter 44-13 entitled "Public
9 Service Corporation Tax" is hereby amended to read as follows:

10 **44-13-4. Rate of taxation.** -- The tax imposed will be at the following rates:

11 (1) In the case of every corporation whose principal business is a steamboat or ferryboat
12 business as a common carrier, every common carrier steam or electric railroad corporation, every
13 street railway corporation, every common carrier dining, sleeping, chair, or parlor car
14 corporation, every corporation whose principal business is selling and distributing water to the
15 public, and every toll bridge corporation, one and one-fourth percent (1.25%) of its gross
16 earnings;

17 (2) In the case of every corporation whose principal business is manufacturing, selling,
18 distributing and/or transmitting currents of electricity to be used for light, heat, or motive power,
19 four percent (4%) of its gross earnings, but deductions shall be made of gross earnings from the
20 transmission or sale of electricity to other public utility corporations, non-regulated power
21 producers, or municipal utilities for resale, whether within or outside of this state; provided, that
22 neither the tax imposed by this section, nor the sales tax, shall be collected or imposed on or
23 applied to any rates or charges of whatever sort which shall be granted to such corporation and
24 are greater than those in effect on December 31, 2014, and which are applied, imposed upon or
25 passed through to customers; and provided, further, that the tax measured by the portion of the
26 utility's gross earnings as is derived from the manufacture and sale of illuminating and heating
27 gas and its by-products and the merchandising of gas appliances shall be computed at the rate of
28 three percent (3%); and provided further, every invoice sent by such corporations shall clearly
29 indicate that such tax is not being collected or imposed on customers;

30 (3) In the case of every express corporation carrying on its business on steamboats,
31 steam or electric railroads, or street railways and of every public service corporation whose
32 principal business is that of a telegraph corporation, four percent (4%) of its gross earnings;

33 (4) In the case of every telecommunications corporation providing telecommunications
34 service, ten percent (10%) of its gross earnings; provided, that the rate shall be nine percent (9%)

1 effective July 1, 1985, eight percent (8%) effective July 1, 1986, seven percent (7%) effective
2 July 1, 1987, six percent (6%) effective July 1, 1988, and five percent (5%) effective July 1,
3 1997. For purposes of this chapter, "telecommunications service" means the transmission of any
4 interactive two-way electromagnetic communications including voice, image, data, and other
5 information, by means of wire, cable, including fiber optical cable, microwave, and radio wave,
6 or any combinations of these media. This definition does not include value added non-voice
7 services in which computer processing applications are used to act on the form, content, code, and
8 protocol of the information to be transmitted;

9 (5) In the case of every public service cable corporation, eight percent (8%) of its gross
10 earnings; [and](#)

11 (6) In the case of every corporation whose principal business is manufacturing, selling
12 and/or distributing to the public illuminating or heating gas, three percent (3%) of its gross
13 earnings.

14 SECTION 3. This act shall take effect upon passage and be retroactive to December 31,
15 2014.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO TAXATION -- PUBLIC SERVICE CORPORATION TAX

1 This act would provide that neither the public service corporation tax or the sales tax,
2 which are paid by customers, would apply to any increase in electricity rates or charges which are
3 greater than those in effect on December 31, 2014.

4 This act would take effect upon passage and be retroactive to December 31, 2014.

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