

This Week in State Tax (TWIST) – November 2, 2009

Rhode Island: Governor May Support Enactment of Gross Receipts Tax

There is a saying that as goes California, so goes the rest of the nation. Well, legislators in California are currently considering a recommendation to replace the state's corporate franchise (income) tax and state level sales tax with a business net receipts tax, and it was recently reported that the Governor of Rhode Island may consider a gross receipts tax as part of a solution to the state's fiscal woes. Although no legislation has been proposed at this time, the Governor has publicly indicated that the state's tax policy needs rethinking in order for the state to remain competitive. In addition, it has been reported that the adoption of a two percent gross receipts tax might enable the state to eliminate the sales or corporate income tax. Stay tuned to TWIST for future updates on a potential gross receipts tax in Rhode Island.

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