

# EXECUTIVE SUMMARY

## S.2021: Bitcoin Tax De Minimis Exemption

*An Act Relating to Taxation — Personal Income Tax*

Rhode Island Bitcoin Policy Initiative | June 2026

Sponsor	Senator Peter A. Appollonio
Introduced	January 9, 2026
Referred to	Senate Finance Committee
Status (Jun 6, 2026)	Senate Finance hearing scheduled June 8, 2026
Effective period	January 1, 2027 – January 1, 2028 (one-year pilot)
Builds on	2025 Session S.0451

### What this bill does

S.2021 establishes a state income and capital gains tax exemption for small-scale Bitcoin sales and exchanges by Rhode Island residents and Rhode Island–based businesses. The exemption is capped at \$5,000 per month and \$20,000 per taxable year. It applies only to state tax; federal obligations remain unchanged. The bill amends Chapter 44-30 by adding Section 44-30-12.1 and includes a sunset clause requiring legislative review before any extension.

### Fiscal impact at a glance

Metric	Estimate
Estimated annual revenue impact	\$500,000 – \$2.5 million reduction
Impact as % of personal income tax	0.03% – 0.13%
Impact as % of general revenue	0.01% – 0.04%
Estimated affected taxpayers	8,000 – 12,000 individuals
One-time administrative cost (DBR)	\$50,000 – \$100,000

### Key provisions

- **Eligibility.** Rhode Island residents and Rhode Island–based businesses.
- **Exemption limits.** \$5,000 per month or \$20,000 per taxable year, whichever is reached first.
- **Compliance.** Self-certification on the annual state tax return; records produced only on audit request.

- **Guidance.** Department of Business Regulation issues plain-language guidance for taxpayers and businesses.
- **Sunset.** Exemption terminates January 1, 2028 unless extended after legislative review.

## Why RIBPI strongly supports this

Under current law every Bitcoin transaction, no matter how small, triggers a capital gains calculation. A \$5 coffee purchase requires the holder to determine cost basis, compute the gain or loss, and report it. This compliance burden prevents Bitcoin from working as everyday money. The exemption applies at thresholds that comfortably cover typical retail use without subsidizing large traders. Combined federal and state capital gains rates currently exceed 25% for many Rhode Island holders; S.2021 removes the friction at the smallest end of the use curve.

### Recommendation

S.2021 presents manageable fiscal exposure (under 0.04% of general revenue), a built-in sunset provision, and a credible path to first-mover positioning for Rhode Island in the New England digital asset economy. RIBPI recommends passage subject to a formal Division of Taxation fiscal note prior to floor vote.

The full Fiscal Impact Analysis (16 pages) is available at [ribpi.com/research](http://ribpi.com/research), with detailed methodology, comparative state analysis, and sources.

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*End of Report*