

DOR Rhode Island Department of Revenue
Division of Taxation

January 16, 2020

Report Concerning Contingency Fee Contracts for Fiscal Year 2019

The purpose of this report is to comply with R.I. Gen. Laws § 44-1-36(c)¹ by providing an annual report of all contracts entered into pursuant to R.I. Gen. Laws § 44-1-36(a). To date, the Rhode Island Division of Taxation has entered into one (1) such contract, the Tax Compliance Improvement Project Agreement (“Agreement”), pursuant to R.I. Gen. Laws § 44-1-36(a). The Agreement contains four (4) Statements of Work that have been executed.

The amount collected under the Agreement as of June 30, 2019 is \$26,916,244 in Net Revenue. The total cost of the four (4) projects as of June 30, 2019 is \$5,914,311. The percentage of the contingency fee arrangement is summarized as follows. The contractor, Revenue Solutions, Inc. (“RSI”), is paid based on fixed-fee deliverables, upon completion and approval of the work. Monies available to be paid towards the deliverables are 50% of available benefits, where the benefits are calculated based on incremental revenue collected.

Respectfully submitted,



Neena S. Savage
Tax Administrator

¹ R.I. Gen. Laws § 44-1-36 states the following:

- (a) Except as set forth in section (b) below, the division of taxation may enter into contracts with persons (defined herein as individuals, firms, fiduciaries, partnerships, corporations, trusts, or associations, however formed) to be paid on a contingent fee basis, for services rendered to the division of taxation where the contract is for the collection of taxes, interest, or penalty or the reduction of refunds claimed. Under such contracts the contingent fee shall be based on the actual amount of taxes, interest and/or penalties collected and/or the amount by which the claimed refund is reduced.
- (b) The division of taxation may not enter into a contingent fee contract under which the person directly conducts a field audit.
- (c) The division of taxation shall publish an annual report setting forth the number of contracts entered into under paragraph (a), the amount collected and the percentage of the contingency fee arrangement of each contract.