

2013 -- H 5200

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LC00520  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO TAXATION -- FRANCHISE TAX

Introduced By: Representatives Newberry, Chippendale, Trillo, and Giarrusso

Date Introduced: January 30, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 44-12-1 of the General Laws in Chapter 44-12 entitled "Franchise  
2 Tax" is hereby repealed.

3           ~~44-12-1. Tax imposed -- Corporations liable -- Credit for tax on income -- Reduced~~  
4 ~~rate where no business done. --- (a) Every corporation, joint stock company, or association~~  
5 ~~incorporated in this state or qualified to do business in this state, whether or not doing business~~  
6 ~~for profit, all referred to in this section under the term "corporation", except those enumerated in~~  
7 ~~section 44-12-11, shall pay an annual franchise tax to the state upon its authorized capital stock of~~  
8 ~~two dollars fifty cents (\$2.50) for each ten thousand dollars (\$10,000) or fractional part, or the~~  
9 ~~sum of five hundred dollars (\$500), whichever is greater.~~

10           ~~(b) In the case of corporations liable to a tax under chapter 11 of this title, only the~~  
11 ~~amount by which the franchise tax exceeds the tax payable under that chapter shall be assessed.~~

12           ~~(c) If a corporation shall show by supplemental affidavit attached to the prescribed return~~  
13 ~~and signed in the manner provided for each return that it has not, at any time during its preceding~~  
14 ~~taxable year, been engaged within the state in any business activities, it shall only pay an annual~~  
15 ~~franchise tax upon its authorized capital stock at the following rates: five hundred dollars (\$500)~~  
16 ~~where the stock does not exceed one million dollars (\$1,000,000); and the further sum of twelve~~  
17 ~~dollars fifty cents (\$12.50) for each additional one million dollars (\$1,000,000) or fractional part~~  
18 ~~of the stock.~~

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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- 1 This act would eliminate the franchise fee paid annually by corporations.
- 2 This act would take effect upon passage.

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