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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 - SALES TAX EXEMPTION

Introduced By: Senators Crowley, Sheehan, Lynch, Hodgson, and Goodwin

Date Introduced: January 16, 2013

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-18-30.B of the General Laws in Chapter 44-18 entitled "Sales
2 and Use Taxes - Liability and Computation" is hereby amended to read as follows:

3 **44-18-30.B. Exemption from sales tax for sales by writers, composers, artists --**

4 **Findings.** -- (a) The general assembly makes the following findings of facts:

5 (1) The downtown area of the city of Providence has been characterized by blighted
6 areas, and dilapidated and abandoned structures;

7 (2) As a result, the downtown area has been designated an economic development zone
8 in order to stop the deterioration and stimulate economic activity;

9 (3) The capitol center area of the city of Providence has become an attractive location,
10 especially with the construction of the Providence Place Mall;

11 (4) In order to promote, revitalize and redevelop the "Old Downtown" area of the city of
12 Providence it is necessary to provide tax exemptions to this area as it has been designated as an
13 economic development zone;

14 (5) In order to promote, revitalize, and redevelop the "Downtown or other industrial or
15 manufacturing buildings" located in the City of Pawtucket, it is necessary to provide tax
16 exemptions to this area as it has been designated as an economic development zone;

17 (6) The development of an active artistic community, including "artists in residence", in
18 this area would promote economic development, revitalization, tourism, employment
19 opportunities, and encourage business development by providing alternative commercial

1 enterprises while in Providence creating a link between the Old Downtown and the Capital Center
2 Area;

3 (7) There is a separate artistic community in the town of Westerly which is important to
4 preserve, promote, and revitalize, and which is distinct from that in the city of Providence;

5 (8) There is a separate artistic community in the city of Woonsocket which is important
6 to promote and revitalize and which is distinct from that in the cities of Providence and Pawtucket
7 and the town of Westerly;

8 (9) There is a separate artistic community in the city of Warwick which is important to
9 preserve, promote, and revitalize and which is distinct from that in the cities of Providence,
10 Pawtucket, Woonsocket and the town of Westerly;

11 (10) There are separate artistic communities in the city of Newport and in the town of
12 Tiverton which are important to promote and revitalize and which are distinct from those in the
13 cities of Providence, Pawtucket, Warwick and Woonsocket and the towns of Westerly and Little
14 Compton;

15 (11) There is a separate artistic community in the town of Warren which is important to
16 promote and revitalize and which is distinct from that in the cities of Providence, Pawtucket,
17 Newport, Warwick and Woonsocket and the towns of Westerly and Tiverton.

18 (12) There is a separate artistic community in the city of Central Falls and the designated
19 areas of the town of Cumberland which is important to promote and revitalize and which is
20 distinct from that in the cities of Providence, Pawtucket, Newport, Warwick and Woonsocket and
21 the towns of Westerly and Tiverton.

22 (b) (1) This section only applies to sales by writers, composers and artists residing in and
23 conducting a business within a section of the defined economic development zone in the cities of
24 Providence or Pawtucket, or the defined economic development zone in the town of Westerly or
25 the defined economic zone in the city of Woonsocket, or the defined economic zone in the city of
26 Warwick, or in those areas within the city of Newport, and the town of Little Compton, which are
27 zoned "general business," "waterfront business," or "limited business" or have been designated
28 by the city of Newport as part of the arts district, or in those areas of the town of Warren which
29 are zoned "waterfront district," "special district," "village business district," "manufacturing
30 district," "business district" or "Warren historic district," or in those areas of the town of Tiverton
31 which are zoned "business commercial," "business waterfront" or "village commercial or in the
32 city of Central Falls and the defined economic development zone in the town of Cumberland."

33 For the purposes of this section, a "work" means an original and creative work, whether written,
34 composed or executed for "one-of-a-kind limited" production and which falls into one of the

1 following categories:

- 2 (i) A book or other writing;
- 3 (ii) A play or the performance of said play;
- 4 (iii) A musical composition or the performance of said composition;
- 5 (iv) A painting or other like picture;
- 6 (v) A sculpture;
- 7 (vi) Traditional and fine crafts;
- 8 (vii) The creation of a film or the acting within the film;
- 9 (viii) The creation of a dance or the performance of the dance.

10 (2) For the purposes of this section, a "work" includes any product generated as a result
11 of any of the above categories.

12 (3) For the purposes of this section, a "work" does not apply to any piece or performance
13 created or executed for industry oriented or related production.

14 (c) (1) This section applies to sales by any individual:

15 (i) Who is a resident of and has a principal place of business situated in the section of the
16 economic development zone designated as the arts and entertainment district in the downtown
17 area of the city of Providence or in the city of Pawtucket, or the defined economic development
18 zone in the town of Westerly or the defined economic zone in the city of Woonsocket, or the
19 defined economic zone in the city of Warwick, or who is a resident of and has a principal place of
20 business situated in those areas within the city of Newport or the town of Little Compton, which
21 are zoned "general business," "waterfront business," or "limited business," or have been
22 designated by the city of Newport as part of the arts district, or who is a resident of and has a
23 principal place of business situated in those areas within the town of Warren which are zoned
24 "waterfront district," "special district," "village business district," "manufacturing district,"
25 "business district" or "Warren historic district," or who is a resident or has a principal place of
26 business situated in those areas within the town of Tiverton which are zoned "business
27 commercial," "business waterfront" or "village commercial [or in the city of Central Falls and the](#)
28 [defined economic development zone in the town of Cumberland.](#)" For the purposes of this
29 section, the Providence arts and entertainment district in Providence is defined as the area
30 bounded by Pine Street to the southeast, Dorrance Street to the northeast, Sabin Street to the
31 northwest and Empire Street to the southwest. Said Providence arts and entertainment district also
32 includes the area beginning at the point of intersection of Acorn Street and Harris Avenue, then
33 turning east onto Atwells Avenue to Service Road 7, then turning southerly onto Service Road 7
34 to Westminster Street, then turning westerly onto Westminster Street, continuing until Bridgham,

1 then turning south onto Bridgham to Cranston Street, then turning southwesterly onto Cranston
2 Street, then continuing to Messer Street, then turning north onto Messer Street to Westminster
3 Street, turning west onto Westminster Street to US Hwy 6 off ramp, then heading west on US
4 Hwy 6 to Sheridan Street, then heading northeast on Sheridan Street to Aleppo Street, then
5 turning southeast along Aleppo Street to Pelham Street, then heading northeast on Pelham Street
6 to Manton Avenue, then continuing southeast on Manton Avenue until Delaine Street, then
7 heading northeast on Delaine Street until Appleton Street, then continuing northwesterly on
8 Appleton Street until Bowdoin Street, then heading north on Bowdoin Street until Barstow Street,
9 then heading east on Barstow until Valley Street, then heading northeast on Valley Street to
10 Hemlock Street, then turning southeast on Hemlock Street until Promenade Street, then heading
11 east on Promenade Street to Acorn Street, then heading south on Acorn Street to the intersection
12 of Acorn Street and Harris Avenue. The named streets are included in the Providence district; and
13 in Pawtucket is defined as the area beginning at the point of intersection of Dexter Street and the
14 Central Falls line, then east along the Central Falls line to the Blackstone River, then north along
15 the city boundary on the Blackstone River to the Cumberland line, then west along the Pawtucket
16 city boundary line to I-95, then south along I-95 to Pine Street, then north on Pine Street to
17 AMTRAK Right of Way, then northwest along the AMTRAK Right of Way to Dexter Street,
18 then north on Dexter Street to the Central Falls line. The named streets are included in the district.
19 The Westerly arts and entertainment district is defined as assessor's plat 56, lots 1 through 24, lot
20 48, lots 50 through 62, and lots 71 through 82, and assessors plat 66, lots 22 through 26, and lots
21 29 through 36 the Woonsocket arts and entertainment district is defined as the area beginning at a
22 point of land on the southwest bank of the Blackstone River abutting the bridge for the
23 Providence & Worcester Railroad and proceeding northerly to a point at the intersection of
24 Worrall Street, Clinton Street and Harry S. Truman Drive, then proceeding northwesterly along
25 Worrall Street to its intersection with Social Street, then turning westerly on Social Street
26 proceeding to its intersection with Main Street, Blackstone Street and North Main Street, then
27 turning northwesterly and proceeding along Blackstone Street to its intersection with River Street,
28 then turning northerly and proceeding along River Street to its intersection with the north/east
29 bank of Blackstone River, then following the riverbank southerly to the bridge at Bernon Street
30 and turning easterly crossing the Blackstone River via Bernon Street and proceeding to its
31 intersection with Front Street, then turning northeasterly on Front Street and proceeding to its
32 intersection with Hamlet Avenue, and to include the former courthouse on the southerly side of
33 Front Street at its intersection with Hamlet Avenue, then turning easterly on Hamlet Avenue and
34 proceeding to its intersection with Manville Road, then turning southeasterly on Manville Road

1 and proceeding to its intersection with Davison Avenue, then turning northeasterly on Davison
2 Avenue and proceeding to a point on the south/west bank of the Blackstone River, then turning
3 northerly, following the southerly riverbank to the point of beginning. The abovementioned
4 streets are included in the district. The Warwick arts district is defined as that area known as
5 Pontiac Village, beginning on Route 5 at the Warwick/Cranston municipal boundary, then south
6 to the intersection of Route 5 and the Pawtuxet River, then following the Pawtuxet River in an
7 easterly and northerly direction to the municipal boundary in the vicinity of Knight Street, then
8 from the intersection of Knight Street and the municipal boundary westerly along the
9 Warwick/Cranston municipal boundary to the intersection of Route 5 and Greenwich Avenue.
10 The above named streets are included in the district. The Central Falls arts district is defined as
11 encompassing the whole of that city; and in Cumberland defined as including portions of Broad
12 Street, High Street, Martin Street and Mendon Road and shall include the following tax assessor's
13 plat maps: 1, 2, 3, 4, 7, 9, 11, 12, 13, 14, 15, 16, 34, 39 and 58. The above named streets are
14 included in the district.

15 (ii) Who is determined by the tax administrator, after consideration of any evidence he or
16 she deems necessary or which is submitted to him or her by the individual, to have written,
17 composed, or executed, either solely or jointly, a work or works which would fall into one of the
18 categories listed in subsection (b)(1).

19 (2) This section also applies to sales by any other gallery located in the arts and
20 entertainment district described in subsection (c)(1)(i) as well as any other arts and entertainment
21 district designated by the general assembly, as well as to sales by any other gallery located in
22 those areas within the city of Newport, or the town of Little Compton, which are zoned "general
23 business," "waterfront business," or "limited business" or have been designated by the city of
24 Newport as part of the arts district, as well as to sales by any other gallery located in those areas
25 within the town of Warren which are zoned "waterfront district," "special district," "village
26 business district," "manufacturing district," "business district" or "Warren historic district," as
27 well as to sales by any other gallery located in those areas within the town of Tiverton which are
28 zoned "business commercial," "business waterfront" or "village commercial."

29 (3) The tax administrator shall not make a determination unless:

30 (i) The individual(s) concerned duly make(s) an application to the tax administrator for
31 the sales tax exemption which applies to the works defined in this section; and

32 (ii) The individual has complied and continues to comply with any and all requests made
33 by the tax administrator.

34 (d) Any individual to whom this section applies and who makes an application to the tax

1 administrator is entitled to a sales tax exemption for the sale of a work or works sold from the
2 individual's business located in the economic development zone which would, apart from this
3 section, be subject to the tax rate imposed by the state of Rhode Island.

4 (e) When an individual makes a request for the exemption, the tax administrator is
5 entitled to all books, documents, or other evidence relating to the publication, production or
6 creation of the works that may be deemed necessary by the tax administrator for the purposes of
7 the exemption. The time period in which to provide this information is in the sole discretion of
8 the tax administrator and specified in the notice.

9 (f) In addition to the information required in subsection (e), the tax administrator may
10 require the individual(s) to submit an annual certified accounting of the numbers of works sold,
11 the type of work sold, and the date of the sale. Failure to file this report may, in the sole discretion
12 of the tax administrator, terminate the individual's eligibility for the exemption.

13 (g) Any person storing, using, or otherwise consuming in this state any work or works
14 which is deemed to be exempt from the sales tax pursuant to this section is not liable for the use
15 tax on the work or works.

16 (h) Notwithstanding the provisions of this section, any individual to whom this section
17 may apply shall comply with all the administration, collection, and other provisions of chapters
18 18 and 19 of this title.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION - SALES TAX EXEMPTION

- 1 This act would extend sales tax exemptions for writers, composers and artists in the entire
- 2 city of Central Falls and certain areas in the town of Cumberland.
- 3 This act would take effect upon passage.

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