It is enacted by the General Assembly as follows:

SECTION 1. Sections 42-64.26-3, 42-64.26-5, 42-64.26-8 and 42-64.26-12 of the General Laws in Chapter 42-64.26 entitled "Stay Invested in RI Wavemaker Fellowship" are hereby amended to read as follows:

42-64.26-3. Definitions.

As used in this chapter:

(1) "Eligible graduate" means an individual who meets the eligibility requirements under this chapter.

(2) "Applicant" means an eligible graduate who applies for a tax credit for education loan repayment expenses under this chapter.

(3) "Award" means a tax credit awarded by the commerce corporation to an applicant as provided under this chapter.

(4) "Business" means any corporation, state bank, federal savings bank, trust company, national banking association, bank holding company, loan and investment company, mutual savings bank, credit union, building and loan association, insurance company, investment company, broker-dealer company or surety company, limited liability company, partnership, sole proprietorship, or federal agency or subsidiaries thereof.

(5) "Taxpayer" means an applicant who receives a tax credit under this chapter.

(6) "Commerce corporation" means the Rhode Island commerce corporation
established pursuant to chapter 64 of title 42.

(7) "Eligible expenses" or "education loan repayment expenses" means annual higher education loan repayment expenses, including, without limitation, principal, interest and fees, as may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to repay for attendance at a post-secondary institution of higher learning.

(8) "Eligible high-demand STEM teacher" means a full-time content area teacher employed by a Rhode Island local education agency and satisfying criteria proposed by the Rhode Island Commissioner of Education in consultation with the commerce corporation and approved by the commerce corporation, which at a minimum shall include provisions regarding minimum instructional hours and qualifying high-demand STEM subject areas.

(9) "Eligibility period" means a term of up to four (4) consecutive service periods beginning with the date that an eligible graduate receives initial notice of award under this chapter and expiring at the conclusion of the fourth service period after such date specified.

(10) "Eligibility requirements" means the following qualifications or criteria required for an applicant to claim an award under this chapter:

(i) That the applicant shall have graduated from an accredited two (2) year, four (4) year or graduate post-secondary institution of higher learning with an associate's, bachelor's, graduate, or post-graduate degree and at which the applicant incurred education loan repayment expenses;

and be either

(A) That the applicant shall be a full-time employee with a Rhode Island-based employer located in this state throughout the eligibility period, whose employment is for work in one or more of the following covered fields: life, natural or environmental sciences; computer, information or software technology; advanced mathematics or finance; engineering; industrial design or other commercially related design field; or medicine or medical device technology; or

(B) A full-time employee that is an eligible high-demand STEM teacher.

(11) "Full-time employee" means a person who is employed by a business or an eligible high-demand STEM teacher as defined herein for consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, or who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization for a minimum of thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose earnings are subject to Rhode Island income tax and whose wages are subject to withholding.
(12) "Local education agency" means a public board of education/school committee or other public authority legally constituted within the state for either administrative control or direction of one or more Rhode Island public elementary schools or secondary schools, or a regional school district, state-operated school, regional collaboration, and charter school or mayoral academy.

(13) "Service period" means a twelve (12) month period beginning on the date that an eligible graduate receives initial notice of award under this chapter.

(14) "Student loan" means a loan to an individual by a public authority or private lender to assist the individual to pay for tuition, books, and living expenses in order to attend a post-secondary institution of higher learning.

(15) "Rhode Island-based employer" means (i) an employer having a principal place of business or at least fifty-one percent (51%) of its employees located in this state; or (ii) an employer registered to conduct business in this state that reported Rhode Island tax liability in the previous tax year.

(16) "Fund" refers to the "Stay Invested in RI Wavemaker Fellowship Fund" established pursuant to § 42-64.26-4.

42-64.26-5. Administration.

(a) Application. An eligible graduate claiming an award under this chapter shall submit to the commerce corporation an application in the manner that the commerce corporation shall prescribe.

(b) Upon receipt of a proper application from an applicant who meets all of the eligibility requirements, the commerce corporation shall select applicants on a competitive basis to receive credits for up to a maximum amount for each service period of one thousand dollars ($1,000) for an associate's degree holder, four thousand dollars ($4,000) for a bachelor's degree holder, and six thousand dollars ($6,000) for a graduate or post-graduate degree holder, but not to exceed the education loan repayment expenses incurred by such taxpayer during each service period completed, for up to four (4) consecutive service periods provided that the taxpayer continues to meet the eligibility requirements throughout the eligibility period. The commerce corporation shall delegate the selection of the applicants that are to receive awards to a one or more fellowship committees to be convened by the commerce corporation and promulgate the selection procedures the fellowship committee or committees will use, which procedures shall require that the committee's consideration of applications be conducted on a name-blind and employer-blind basis and that the applications and other supporting documents received or reviewed by the fellowship committee or committees shall be redacted of the applicant's name, street address, and
other personally-identifying information as well as the applicant's employer's name, street
address, and other employer-identifying information. The commerce corporation shall determine
the composition of the fellowship committee or committees and the selection procedures it will
use in consultation with the state's chambers of commerce or the Rhode Island Department of
Education, as appropriate.

(c) The credits awarded under this chapter shall not exceed one hundred percent (100%) of the education loan repayment expenses incurred paid by such taxpayer during each service period completed for up to four (4) consecutive service periods. Tax credits shall be issued annually to the taxpayer upon proof that (i) the taxpayer has actually incurred and paid such education loan repayment expenses; (ii) the taxpayer continues to meet the eligibility requirements throughout the service period; (iii) The award shall not exceed the original loan amount plus any capitalized interest less award previously claimed under this section; and (iv) that the taxpayer claiming an award is current on his or her student loan repayment obligations.

(d) In consultation with the Rhode Island Department of Education, the commerce corporation shall set guidelines for the proportion of awards to be made to eligible high-demand STEM teachers so long as no more than one hundred (100) and no more than twenty-five percent (25%) of the awards issued in a calendar year are to eligible high-demand STEM teachers.

(e) The commerce corporation shall not commit to overall awards in excess of the amount contained in the fund.

(f) The commerce corporation shall reserve seventy percent (70%) of the awards issued in a calendar year to applicants who are permanent residents of the state of Rhode Island or who attended an institution of higher education located in Rhode Island when they incurred the education loan expenses to be repaid.

(g) In administering award, the commerce corporation shall:

(1) Require suitable proof that an applicant meets the eligibility requirements for award under this chapter;

(2) Determine the contents of applications and other materials to be submitted in support of an application for award under this chapter; and

(3) Collect reports and other information during the eligibility period for each award to verify that a taxpayer continues to meet the eligibility requirements for an award.

42-64.26-8. Carry forward and redemption of tax credits.

(a) If the amount of the tax credit allowed under this chapter exceeds the taxpayer's total tax liability for the year in which the credit is allowed, the amount of such credit that exceeds the taxpayer's tax liability may be carried forward and applied against the taxes imposed for the
succeeding four (4) years, or until the full credit is used, whichever occurs first.

(b) The tax credit allowed under this chapter may be used as a credit against personal income taxes imposed under chapter 30 of title 44.

(c) The division of taxation shall at the request of a taxpayer redeem such credits in whole or in part for one hundred percent (100%) of the value of the tax credit.

(d) Any award made amounts paid to a taxpayer for the redemption of tax credits allowed pursuant to this section shall be exempt from taxation under title 44 of the General Laws.

42-64.26-12. Sunset.

No incentives or credits shall be authorized pursuant to this chapter after December 31, 2020. 2023.

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

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- STAY INVESTED IN RI WAVEMAKER FELLOWSHIP

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1 This act would expand the Wavemaker Fellowship Program to include public school
2 teachers in the high-need fields of science, technology, engineering and mathematics.
3 This act would take effect upon passage.

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