

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

—————
A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- RHODE
ISLAND BUSINESS CORPORATION ACT

Introduced By: Senators Raptakis, Lombardo, F Lombardi, Murray, Burke, and Picard

Date Introduced: March 01, 2022

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 7-1.2-1309 of the General Laws in Chapter 7-1.2 entitled "Rhode
2 Island Business Corporation Act" is hereby amended to read as follows:

3 **7-1.2-1309. Filing of articles of dissolution.**

4 (a) The articles of dissolution are delivered to the secretary of state. If the secretary of state
5 finds that the articles of dissolution conform to law, the secretary of state shall, when all fees and
6 taxes have been paid:

7 (1) Endorse on the original the word "Filed", and the month, day, and year of the filing;

8 (2) File the original in his or her office; ~~and~~

9 (3) Issue a certificate of dissolution; and

10 (4) Send to the Rhode Island division of taxation a copy of the certificate of dissolution.

11 (b) The certificate of dissolution is delivered to the representative of the dissolved
12 corporation. Upon the issuance of the certificate of dissolution the existence of the corporation
13 ceases, except for the purpose of suits, other proceedings, and appropriate corporate action by
14 shareholders, directors, and officers as provided in this chapter.

15 SECTION 2. Section 7-6-55 of the General Laws in Chapter 7-6 entitled "Rhode Island
16 Nonprofit Corporation Act" is hereby amended to read as follows:

17 **7-6-55. Filing of articles of dissolution.**

18 (a) The articles of dissolution shall be delivered to the secretary of state. If the secretary of

1 state finds that the articles of dissolution conform to law, the secretary of state shall, when all fees
2 have been paid as prescribed in this chapter:

- 3 (1) Endorse on the original the word "Filed", and the month, day, and year of the filing;
- 4 (2) File the original in the secretary of state's office;
- 5 (3) Issue a certificate of dissolution;
- 6 [\(4\) Send to the Rhode Island division of taxation a copy of the certificate of dissolution.](#)

7 (b) The certificate of dissolution shall be delivered to the representative of the dissolved
8 corporation. Upon the issuance of the certificate of dissolution the existence of the corporation
9 ceases, except for the purpose of suits, other proceedings, and appropriate corporate action by
10 members, directors, and officers as provided in this chapter.

11 SECTION 3. Section 7-16-47 of the General Laws in Chapter 7-16 entitled "The Rhode
12 Island Limited-Liability Company Act" is hereby amended to read as follows:

13 **7-16-47. Articles of dissolution.**

14 Not later than thirty (30) days following the dissolution and winding up of the limited-
15 liability company for any cause other than that set forth in § 7-16-39(1), articles of dissolution shall
16 be filed in the office of the secretary of state and set forth:

- 17 (1) The name of the limited-liability company;
- 18 (2) The date of filing of the original articles of organization;
- 19 (3) The date of filing of all amendments to the original articles of organization or the most
20 recent restatement, if any, and all subsequent amendments to the articles of organization;
- 21 (4) The reason for filing the articles of dissolution;
- 22 (5) The effective date, which shall be a date certain, of the dissolution; ~~and~~
- 23 (6) Any other information or provision, not inconsistent with law, that the members or
24 authorized person signing the articles of dissolution elect to set forth; [and](#)

25 [\(7\) The secretary of state shall send to the Rhode Island division of taxation a copy of the](#)
26 [certificate of dissolution.](#)

27 SECTION 4. Section 44-11-2 of the General Laws in Chapter 44-11 entitled "Business
28 Corporation Tax" is hereby amended to read as follows:

29 **44-11-2. Imposition of tax.**

30 (a) Each corporation shall annually pay to the state a tax equal to nine percent (9%) of net
31 income, as defined in § 44-11-11, qualified in § 44-11-12, and apportioned to this state as provided
32 in §§ 44-11-13 -- 44-11-15, for the taxable year. For tax years beginning on or after January 1,
33 2015, each corporation shall annually pay to the state a tax equal to seven percent (7.0%) of net
34 income, as defined in § 44-11-13 -- 44-11-15, for the taxable year.

1 (b) A corporation shall pay the amount of any tax as computed in accordance with
2 subsection (a) after deducting from "net income," as used in this section, fifty percent (50%) of the
3 excess of capital gains over capital losses realized during the taxable year, if for the taxable year:

4 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its
5 own behalf and not as a broker, underwriter, or distributor;

6 (2) Its gross receipts derived from these activities during the taxable year amounted to at
7 least ninety percent (90%) of its total gross receipts derived from all of its activities during the year.
8 "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable
9 consideration, received during the taxable year in connection with the conduct of the taxpayer's
10 activities.

11 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
12 income under subsection (a), but shall annually pay to the state a tax equal to ten cents (\$.10) for
13 each one hundred dollars (\$100) of gross income for the taxable year or a tax of one hundred dollars
14 (\$100), whichever tax shall be the greater, if for the taxable year the corporation is either a "personal
15 holding company" registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a-
16 1 et seq., "regulated investment company," or a "real estate investment trust" as defined in the
17 federal income tax law applicable to the taxable year. "Gross income" means gross income as
18 defined in the federal income tax law applicable to the taxable year, plus:

19 (1) Any interest not included in the federal gross income; minus

20 (2) Interest on obligations of the United States or its possessions, and other interest exempt
21 from taxation by this state; and minus

22 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during the
23 taxable year.

24 (d)(1) A small business corporation having an election in effect under subchapter S, 26
25 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except
26 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income
27 that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after
28 January 1, 2015, a small business corporation having an election in effect under subchapter S, 26
29 U.S.C. § 1361 et seq., shall be subject to the minimum tax under § 44-11-2(e).

30 (2) The shareholders of the corporation who are residents of Rhode Island shall include in
31 their income their proportionate share of the corporation's federal taxable income.

32 (3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

33 (4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

34 (e) Minimum tax. The tax imposed upon any corporation under this section, including a

1 small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et
2 seq., shall not be less than four hundred fifty dollars (\$450). For tax years beginning on or after
3 January 1, 2017, the tax imposed shall not be less than four hundred dollars (\$400).

4 [\(f\) Upon receipt by the division of taxation of a copy of a certificate of dissolution from](#)
5 [the secretary of state, the division of taxation shall not impose the minimum tax required by](#)
6 [subsection \(e\) of this section for the tax year in which the copy of the certificate was received.](#)

7 SECTION 5. This act shall take effect upon passage.

=====
LC003329
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- RHODE
ISLAND BUSINESS CORPORATION ACT

1 This act would suspend the imposition of the minimum tax upon corporations, nonprofit
2 corporations, and limited liability companies for the tax year in which the secretary of state certifies
3 the entity's dissolution.

4 This act would take effect upon passage.

=====
LC003329
=====