

2012 -- H 7239

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO TAXATION - PERSONAL INCOME TAX - ESTABLISHMENT OF ARTS  
DISTRICT

Introduced By: Representatives Gallison, and Morrison

Date Introduced: January 25, 2012

Referred To: House 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

1 opportunities, and encourage business development by providing alternative commercial  
2 enterprises while in Providence creating a link between the Old Downtown and the Capital Center  
3 Area;

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

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

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

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

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

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

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

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

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

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

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

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

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

1 south/west bank of the Blackstone River, then turning northerly, following the southerly  
2 riverbank to the point of beginning. The abovementioned streets are included in the district. The  
3 Warwick arts district is defined as that area known as Pontiac Village, beginning on Route 5 at  
4 the Warwick/Cranston municipal boundary, then south to the intersection of Route 5 and the  
5 Pawtuxet River, then following the Pawtuxet River in an easterly and northerly direction to the  
6 municipal boundary in the vicinity of Knight Street, then from the intersection of Knight Street  
7 and the municipal boundary westerly along the Warwick/Cranston municipal boundary to the  
8 intersection of Route 5 and Greenwich Avenue. The above named streets are included in the  
9 district. [The Bristol arts district is defined as encompassing the Bristol Waterfront Historic](#)  
10 [District as listed in the National Register of Historic Places and further defined as that area from](#)  
11 [Washington Street south to the intersection of Hope and High Streets, including both sides of](#)  
12 [Hope Street, and from the rear lot-lines of the east side of Wood Street westerly to Bristol Harbor;](#)  
13 [the above named streets are included in the district.](#)

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

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

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

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

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

33 (d) Any individual to whom this section applies and who makes an application to the tax  
34 administrator is entitled to a sales tax exemption for the sale of a work or works sold from the

1 individual's business located in the economic development zone which would, apart from this  
2 section, be subject to the tax rate imposed by the state of Rhode Island.

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

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

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

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

18 SECTION 2. Section 44-30-1.1 of the General Laws in Chapter 44-30 entitled "Personal  
19 Income Tax" is hereby amended to read as follows:

20 **44-30-1.1. Exemption from tax for writers, composers and artists.** -- (a) This section  
21 shall only apply to writers, composers and artists residing within a section of the defined  
22 economic development zone within the city of Providence, Pawtucket, Woonsocket or Warwick,  
23 or the economic development zone within the town of Westerly as defined in section 44-18-  
24 30B(c)(1)(i), [or the arts district within the town of Bristol as defined in paragraph \(b\)\(1\)\(i\) below,](#)  
25 or within the city of Newport or within the town of Tiverton or the town of Little Compton, or  
26 within those areas of the town of Warren which are zoned "waterfront district," "special district,"  
27 "village business district," "manufacturing district," "business district" or "Warren historic  
28 district", or a tax pass-through entity wholly owned by one or more such individuals and who  
29 create such work while residing in the zone, or in the case of Newport or the town of Little  
30 Compton, within those areas of the city or town which are zoned "general business," "waterfront  
31 business" or "limited business" or have been designated by the city of Newport as part of the arts  
32 district, or in the case of Warren, within those areas of the town which are zoned "waterfront  
33 district," "special district," "village business district," "manufacturing district," "business district"  
34 or "Warren historic district," or in the case of Tiverton with those areas of the town which are

1 zoned "business commercial," "business waterfront" or "village commercial." For the purposes of  
2 this section, a "work" means an original and creative work, whether written, composed, created or  
3 executed for "one-of-a-kind, limited" production, before or after the passing of this section, which  
4 falls into one of the following categories: (1) a book or other writing; (2) a play or the  
5 performance of said play; (3) a musical composition or the performance of said composition; (4)  
6 a painting or other like picture; (5) a sculpture; (6) traditional and fine crafts; (7) the creation of a  
7 film or the acting of said film; (8) the creation of a dance or the performance of said dance. For  
8 purposes of this section, a "work" does not apply to any piece or performance created or executed  
9 for industry oriented or related production.

10 (b) (1) This section shall apply to any individual:

11 (i) Who is a resident within the section of the economic development zone designated as  
12 the arts and entertainment district in the downtown areas of the cities of Providence, Woonsocket  
13 or Pawtucket, and deriving the income exempted from within said district while a resident of said  
14 zone, or who is a resident within the section of the arts and entertainment district in the town of  
15 Westerly, as defined in section 44-18-30B(c)(1)(i) and who derives the income exempted from  
16 within said district while a resident of said zone. For the purposes of this section, the "Providence  
17 arts and entertainment district" is defined as the area bounded by Pine Street to the southeast,  
18 Dorrance Street to the northeast, Sabin Street to the northwest and Empire Street to the southwest.  
19 Said Providence arts and entertainment district also includes the area beginning at the point of  
20 intersection of Acorn Street and Harris Avenue, then turning east onto Atwells Avenue to Service  
21 Road 7, then turning southerly onto Service Road 7 to Westminster Street, then turning westerly  
22 onto Westminster Street, continuing until Bridgham, then turning south onto Bridgham to  
23 Cranston Street, then turning southwesterly onto Cranston Street, then continuing to Messer  
24 Street, then turning north onto Messer Street to Westminster Street, turning west onto  
25 Westminster Street to US Hwy 6 off ramp, then heading west on US Hwy 6 to Sheridan Street,  
26 then heading northeast on Sheridan Street to Aleppo Street, then turning southeast along Aleppo  
27 Street to Pelham Street, then heading northeast on Pelham Street to Manton Avenue, then  
28 continuing southeast on Manton Avenue until Delaine Street, then heading northeast on Delaine  
29 Street until Appleton Street, then continuing northwesterly on Appleton Street until Bowdoin  
30 Street, then heading north on Bowdoin Street until Barstow Street, then heading east on Barstow  
31 until Valley Street, then heading northeast on Valley Street to Hemlock Street, then turning  
32 southeast on Hemlock Street until Promenade Street, then heading east on Promenade Street to  
33 Acorn Street, then heading south on Acorn Street to the intersection of Acorn Street and Harris  
34 Avenue. The abovementioned streets shall be included in the district. The "Westerly arts and

1 entertainment district" is defined in section 44-18-30B(c)(1)(i). The "Pawtucket arts and  
2 entertainment district" shall be defined as the area beginning at the point of intersection of Dexter  
3 Street and the Central Falls line, then east along the Central Falls Line to the Blackstone River,  
4 then north along the city boundary on the Blackstone River to the Cumberland line, then west  
5 along the Pawtucket city boundary line to I-95, then south along I-95 to Pine Street, then north on  
6 Pine Street to AMTRAK Right of Way, then northwest along the AMTRAK Right of Way to  
7 Dexter Street, then north on Dexter Street to the Central Falls line. The abovementioned streets  
8 shall be included in the district. The "Woonsocket arts and entertainment district" shall be defined  
9 as the area beginning at a point of land on the southwest bank of the Blackstone River abutting  
10 the bridge for the Providence & Worcester Railroad and proceeding northerly to a point at the  
11 intersection of Worrall Street, Clinton Street and Harry S. Truman Drive, then proceeding  
12 northwesterly along Worrall Street to its intersection with Social Street, then turning westerly on  
13 Social Street proceeding to its intersection with Main Street, Blackstone Street and North Main  
14 Street, then turning northwesterly and proceeding along Blackstone Street to its intersection with  
15 River Street, then turning northerly and proceeding along River Street to its intersection with the  
16 northeast bank of Blackstone River, then following the riverbank southerly to the bridge at  
17 Bernon Street and turning easterly crossing the Blackstone River via Bernon Street and  
18 proceeding to its intersection with Front Street, then turning northeasterly on Front Street and  
19 proceeding to its intersection with Hamlet Avenue, and to include the former Courthouse on the  
20 southerly side of Front Street at its intersection with Hamlet Avenue, then turning easterly on  
21 Hamlet Avenue and proceeding to its intersection with Manville Road, then turning southeasterly  
22 on Manville Road and proceeding to its intersection with Davison Avenue, then turning  
23 northeasterly on Davison Avenue and proceeding to a point on the southwest bank of the  
24 Blackstone River, then turning northerly, following the southerly riverbank to the point of  
25 beginning. The abovementioned streets are included in the district. The Warwick arts district is  
26 defined as that area known as Pontiac Village, beginning on Route 5 at the Warwick/Cranston  
27 municipal boundary, then south to the intersection of Route 5 and the Pawtuxet River, then  
28 following the Pawtuxet River in an easterly and northerly direction to the municipal boundary in  
29 the vicinity of Knight Street, then from the intersection of Knight Street and the municipal  
30 boundary westerly along the Warwick/Cranston municipal boundary to the intersection of Route  
31 5 and Greenwich Avenue. The above named streets are included in the district. [The Bristol arts  
32 district is defined as encompassing the Bristol Waterfront Historic District as listed in the  
33 National Register of Historic Places and further defined as that area from Washington Street  
34 south to the intersection of Hope and High Streets, including both sides of Hope Street, and from](#)



1 [the rear lot-lines of the east side of Wood Street westerly to Bristol Harbor; the above named](#)  
2 [streets are included in the district.](#)

3 This section shall also apply to any individual who is a resident of the city of Newport or  
4 the town of Tiverton or the town of Little Compton and whose income otherwise qualifies for an  
5 exemption as provided for in this section.

6 This section shall also apply to any individual who is a resident of the town of Warren  
7 and whose income otherwise qualifies for an exemption as provided for in this section.

8 (ii) Who is determined by the tax administrator, after consideration of any evidence in  
9 relation to the matter which the individual submits to him or her and after such consultation as  
10 may seem to him or her to be necessary with such person or body of persons as in his or her  
11 opinion may be of assistance to him or her, to have written, composed or executed either solely or  
12 jointly with another individual, a work or works that would fall into one of the categories listed in  
13 subsection (a) of this section.

14 (c) (1) An individual to whom this section applies and who duly makes a claim to the tax  
15 administrator in that behalf shall, subject to subdivision (2) of this subsection, be entitled to have  
16 the profits or gains arising to him or her from the publication, production or sale of a work or  
17 works in relation to which the tax administrator has made a determination under paragraph  
18 (b)(1)(ii) of this section to be taken as a modification reducing federal adjusted gross income.

19 (2) The modification authorized by this section shall apply to the year in which the profit  
20 or gain from the publication, production or sale of a work is realized.

21 (d) The tax administrator may serve on an individual who makes a claim under this  
22 subsection a notice or notices, in writing, requiring him or her to make available within any time  
23 that may be specified in the notice of all such books, accounts and documents in his or her  
24 possession or power as may be requested, being books, accounts and documents relating to the  
25 publication, production or sale of the work in respect of the profits or gains of which exemption is  
26 claimed.

27 (e) For the purpose of determining the amount of profits or gains subject to modification  
28 under this section, the tax administrator may make any apportionment of receipts and expenses  
29 that may be necessary.

30 (f) Notwithstanding any other provisions of this chapter, any individual seeking relief  
31 under this section shall file a Rhode Island personal income tax return listing the modification  
32 reducing federal adjusted gross income relating to profits or gains realized from the works as  
33 defined in this section.

1 SECTION 3. 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 - PERSONAL INCOME TAX - ESTABLISHMENT OF ARTS  
DISTRICT

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- 1           This act would establish a new arts district within the town of Bristol for purposes of the
- 2 tax exemption provided to writers, composers, and other artists.
- 3           This act would take effect upon passage.

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