

2012 -- S 2460

=====
LC01549
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

—————
A N A C T

RELATING TO TAXATION - SALES AND USE TAXES - LIABILITY AND
COMPUTATION - PERSONAL INCOME TAX

Introduced By: Senators Doyle, Crowley, and Nesselbush

Date Introduced: February 16, 2012

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

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 (b) (1) This section only applies to sales by writers, composers and artists residing in and
20 conducting a business within a section of the defined economic development zone in the cities of
21 Providence or Pawtucket, or the defined economic development zone in the town of Westerly or
22 the defined economic zone in the city of Woonsocket, or the defined economic zone in the city of
23 Warwick, or in those areas within the city of Newport, and the town of Little Compton, which are
24 zoned "general business," "waterfront business," or "limited business" or avenue been designated
25 by the city of Newport as part of the arts district, or in those areas of the town of Warren which
26 are zoned "waterfront district," "special district," "village business district," "manufacturing
27 district," "business district" or "Warren historic district," or in those areas of the town of Tiverton
28 which are zoned "business commercial," "business waterfront" or "village commercial." For the
29 purposes of this section, a "work" means an original and creative work, whether written,
30 composed or executed for "one-of-a-kind limited" production and which falls into one of the
31 following categories:

32 (i) A book or other writing;

33 (ii) A play or the performance of said play;

34 (iii) A musical composition or the performance of said composition;

- 1 (iv) A painting or other like picture;
- 2 (v) A sculpture;
- 3 (vi) Traditional and fine crafts;
- 4 (vii) The creation of a film or the acting within the film;
- 5 (viii) The creation of a dance or the performance of the dance.

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

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

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

11 (i) Who is a resident of and has a principal place of business situated in the section of the
12 economic development zone designated as the arts and entertainment district in the downtown
13 area of the city of Providence or in the city of Pawtucket, or the defined economic development
14 zone in the town of Westerly or the defined economic zone in the city of Woonsocket, or the
15 defined economic zone in the city of Warwick, or who is a resident of and has a principal place of
16 business situated in those areas within the city of Newport or the town of Little Compton, which
17 are zoned "general business," "waterfront business," or "limited business," or ~~h~~Avenue have been
18 designated by the city of Newport as part of the arts district, or who is a resident of and has a
19 principal place of business situated in those areas within the town of Warren which are zoned
20 "waterfront district," "special district," "village business district," "manufacturing district,"
21 "business district" or "Warren historic district," or who is a resident or has a principal place of
22 business situated in those areas within the town of Tiverton which are zoned "business
23 commercial," "business waterfront" or "village commercial." For the purposes of this section, the
24 Providence arts and entertainment district in Providence is defined as the area bounded by Pine
25 Street to the southeast, Dorrance Street to the northeast, Sabin Street to the northwest and Empire
26 Street to the southwest. Said Providence arts and entertainment district also includes the area
27 beginning at the point of intersection of Acorn Street and Harris ~~Avenue~~ Avenue, then turning
28 east onto Atwells ~~Avenue~~ Avenue to Service Road 7, then turning southerly onto Service
29 Road 7 to Westminster Street, then turning westerly onto Westminster Street, continuing until
30 Bridgham, then turning south onto Bridgham to Cranston Street, then turning southwesterly onto
31 Cranston Street, then continuing to Messer Street, then turning north onto Messer Street to
32 Westminster Street, turning west onto Westminster Street to US Hwy 6 off ramp, then heading
33 west on US Hwy 6 to Sheridan Street, then heading northeast on Sheridan Street to Aleppo Street,
34 then turning southeast along Aleppo Street to Pelham Street, then heading northeast on Pelham

1 Street to Manton Avenue, then continuing southeast on Manton Avenue until Delaine Street, then
2 heading northeast on Delaine Street until Appleton Street, then continuing northwesterly on
3 Appleton Street until Bowdoin Street, then heading north on Bowdoin Street until Barstow Street,
4 then heading east on Barstow until Valley Street, then heading northeast on Valley Street to
5 Hemlock Street, then turning southeast on Hemlock Street until Promenade Street, then heading
6 east on Promenade Street to Acorn Street, then heading south on Acorn Street to the intersection
7 of Acorn Street and Harris ~~Avenue~~ [Avenue](#). The named streets are included in the Providence
8 district; and in Pawtucket is defined as the area beginning at the point of intersection of Dexter
9 Street and the Central Falls line, then east along the Central Falls line to the Blackstone River,
10 then north along the city boundary on the Blackstone River to the Cumberland line, then west
11 along the Pawtucket city boundary line to I-95, then south along I-95 to Pine Street, then north on
12 Pine Street to AMTRAK Right of Way, then northwest along the AMTRAK Right of Way to
13 Dexter Street, then north on Dexter Street to the Central Falls line. [Said Pawtucket arts and
14 entertainment district also includes the area beginning at a point in the intersection of Dexter
15 Street and the Pawtucket/Central Falls city boundary; then continuing westerly along
16 Pawtucket/Central Falls city boundary to the intersection of Pine Street; then continuing southerly
17 along Pine Street to the intersection of Conant Street; then continuing southwesterly along Conant
18 Street to the Intersection of Weeden Street; then continuing west along Weeden Street to the
19 intersection of New Street; then continuing southerly along New Street to the intersection of
20 Fairlawn Avenue; then continuing southerly along Fairlawn Avenue to the intersection of Mineral
21 Spring Avenue; then continuing east along Mineral Spring Avenue to the intersection of San
22 Antonio Way; then continuing southeasterly along San Antonio Way to the intersection of Grotto
23 Avenue; then continuing east along Grotto Avenue to the intersection with the Moshassuck River;
24 then continuing south along the Moshassuck River to the intersection with I-95; then continuing
25 south along I-95 to the intersection with the Pawtucket/Providence city boundary; then continuing
26 east along the Pawtucket/Providence city boundary to the intersection of the Moshassuck River;
27 then continuing north along the Moshassuck River to the intersection of Grenville Street; then
28 continuing east along Grenville Street to the intersection of Main Street; then continuing south
29 along Main Street to the intersection of Pawtucket Avenue; then continuing northeast along
30 Pawtucket Avenue to the intersection of Glenwood Avenue; then continuing northwest along
31 Glenwood Avenue to the intersection of West Avenue; then continuing northeast along West
32 Avenue to the intersection of Trenton Street; then continuing west along Trenton Street to the
33 intersection of Main Street; then continuing south along Main Street to a point approximately
34 eighty-three feet \(83'\) feet south from the southerly line of Campbell Terrace; then west and north](#)

1 [along the rear property lines of those properties fronting Campbell Terrace to the intersection of](#)
2 [Dudley Street \(now abandoned\); then east along a portion of Dudley Street \(now abandoned\) and](#)
3 [Dudley Street to the intersection of Main Street; then continuing north along Main Street to the](#)
4 [intersection of Warren Avenue; then continuing west along Warren Avenue to the intersection of](#)
5 [Esten Avenue; then continuing north along Esten Avenue to the intersection of Barnes Street;](#)
6 [then continuing northwest across I-95 to the Providence and Worcester Railroad right-of-way;](#)
7 [then continuing north along the Providence Worcester Railroad right-of-way to the intersection of](#)
8 [Mineral Spring Avenue; then continuing east along Mineral Spring Avenue to the intersection of](#)
9 [Pine Street; then continuing north along Pine Street to the intersection of Goff Avenue; then](#)
10 [continuing east along Goff Avenue to the intersection of Dexter Street; then continuing north](#)
11 [along Dexter Street to the intersection with the Pawtucket/ Central Falls city boundary, also being](#)
12 [the point and place of beginning; excluding the Mineral Spring Avenue Cemetery that is a](#)
13 [National Register Historic District.](#) The named streets are included in the district. The Westerly
14 arts and entertainment district is defined as assessor's plat 56, lots 1 through 24, lot 48, lots 50
15 through 62, and lots 71 through 82, and assessors plat 66, lots 22 through 26, and lots 29 through
16 36 the Woonsocket arts and entertainment district is defined as the area beginning at a point of
17 land on the southwest bank of the Blackstone River abutting the bridge for the Providence &
18 Worcester Railroad and proceeding northerly to a point at the intersection of Worrall Street,
19 Clinton Street and Harry S. Truman Drive, then proceeding northwesterly along Worrall Street to
20 its intersection with Social Street, then turning westerly on Social Street proceeding to its
21 intersection with Main Street, Blackstone Street and North Main Street, then turning
22 northwesterly and proceeding along Blackstone Street to its intersection with River Street, then
23 turning northerly and proceeding along River Street to its intersection with the north/east bank of
24 Blackstone River, then following the riverbank southerly to the bridge at Bernon Street and
25 turning easterly crossing the Blackstone River via Bernon Street and proceeding to its intersection
26 with Front Street, then turning northeasterly on Front Street and proceeding to its intersection
27 with Hamlet Avenue, and to include the former courthouse on the southerly side of Front Street at
28 its intersection with Hamlet Avenue, then turning easterly on Hamlet Avenue and proceeding to
29 its intersection with Manville Road, then turning southeasterly on Manville Road and proceeding
30 to its intersection with Davison Avenue, then turning northeasterly on Davison Avenue and
31 proceeding to a point on the south/west bank of the Blackstone River, then turning northerly,
32 following the southerly riverbank to the point of beginning. The abovementioned streets are
33 included in the district. The Warwick arts district is defined as that area known as Pontiac
34 Village, beginning on Route 5 at the Warwick/Cranston municipal boundary, then south to the

1 intersection of Route 5 and the Pawtuxet River, then following the Pawtuxet River in an easterly
2 and northerly direction to the municipal boundary in the vicinity of Knight Street, then from the
3 intersection of Knight Street and the municipal boundary westerly along the Warwick/Cranston
4 municipal boundary to the intersection of Route 5 and Greenwich Avenue. The above named
5 streets are included in the district.

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

10 (2) This section also applies to sales by any other gallery located in the arts and
11 entertainment district described in subsection (c)(1)(i) as well as any other arts and entertainment
12 district designated by the general assembly, as well as to sales by any other gallery located in
13 those areas within the city of Newport, or the town of Little Compton, which are zoned "general
14 business," "waterfront business," or "limited business" or ~~hAvenue~~ have been designated by the
15 city of Newport as part of the arts district, as well as to sales by any other gallery located in those
16 areas within the town of Warren which are zoned "waterfront district," "special district," "village
17 business district," "manufacturing district," "business district" or "Warren historic district," as
18 well as to sales by any other gallery located in those areas within the town of Tiverton which are
19 zoned "business commercial," "business waterfront" or "village commercial."

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

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

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

25 (d) Any individual to whom this section applies and who makes an application to the tax
26 administrator is entitled to a sales tax exemption for the sale of a work or works sold from the
27 individual's business located in the economic development zone which would, apart from this
28 section, be subject to the tax rate imposed by the state of Rhode Island.

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

34 (f) In addition to the information required in subsection (e), the tax administrator may

1 require the individual(s) to submit an annual certified accounting of the numbers of works sold,
2 the type of work sold, and the date of the sale. Failure to file this report may, in the sole discretion
3 of the tax administrator, terminate the individual's eligibility for the exemption.

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

7 (h) Notwithstanding the provisions of this section, any individual to whom this section
8 may apply shall comply with all the administration, collection, and other provisions of chapters
9 18 and 19 of this title.

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

12 **44-30-1.1. Exemption from tax for writers, composers and artists.** -- (a) This section
13 shall only apply to writers, composers and artists residing within a section of the defined
14 economic development zone within the city of Providence, Pawtucket, Woonsocket or Warwick,
15 or the economic development zone within the town of Westerly as defined in section 44-18-
16 30B(c)(1)(i), or within the city of Newport or within the town of Tiverton or the town of Little
17 Compton, or within those areas of the town of Warren which are zoned "waterfront district,"
18 "special district," "village business district," "manufacturing district," "business district" or
19 "Warren historic district", or a tax pass-through entity wholly owned by one or more such
20 individuals and who create such work while residing in the zone, or in the case of Newport or the
21 town of Little Compton, within those areas of the city or town which are zoned "general
22 business," "waterfront business" or "limited business" or ~~hAvenue~~ have been designated by the
23 city of Newport as part of the arts district, or in the case of Warren, within those areas of the town
24 which are zoned "waterfront district," "special district," "village business district,"
25 "manufacturing district," "business district" or "Warren historic district," or in the case of
26 Tiverton with those areas of the town which are zoned "business commercial," "business
27 waterfront" or "village commercial." For the purposes of this section, a "work" means an original
28 and creative work, whether written, composed, created or executed for "one-of-a-kind, limited"
29 production, before or after the passing of this section, which falls into one of the following
30 categories: (1) a book or other writing; (2) a play or the performance of said play; (3) a musical
31 composition or the performance of said composition; (4) a painting or other like picture; (5) a
32 sculpture; (6) traditional and fine crafts; (7) the creation of a film or the acting of said film; (8)
33 the creation of a dance or the performance of said dance. For purposes of this section, a "work"
34 does not apply to any piece or performance created or executed for industry oriented or related

1 production.

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

3 (i) Who is a resident within the section of the economic development zone designated as
4 the arts and entertainment district in the downtown areas of the cities of Providence, Woonsocket
5 or Pawtucket, and deriving the income exempted from within said district while a resident of said
6 zone, or who is a resident within the section of the arts and entertainment district in the town of
7 Westerly, as defined in section 44-18-30B(c)(1)(i) and who derives the income exempted from
8 within said district while a resident of said zone. For the purposes of this section, the "Providence
9 arts and entertainment district" is defined as the area bounded by Pine Street to the southeast,
10 Dorrance Street to the northeast, Sabin Street to the northwest and Empire Street to the southwest.
11 Said Providence arts and entertainment district also includes the area beginning at the point of
12 intersection of Acorn Street and Harris ~~Avenue~~ Avenue, then turning east onto Atwells
13 ~~Avenue~~ Avenue to Service Road 7, then turning southerly onto Service Road 7 to
14 Westminster Street, then turning westerly onto Westminster Street, continuing until Bridgham,
15 then turning south onto Bridgham to Cranston Street, then turning southwesterly onto Cranston
16 Street, then continuing to Messer Street, then turning north onto Messer Street to Westminster
17 Street, turning west onto Westminster Street to US Hwy 6 off ramp, then heading west on US
18 Hwy 6 to Sheridan Street, then heading northeast on Sheridan Street to Aleppo Street, then
19 turning southeast along Aleppo Street to Pelham Street, then heading northeast on Pelham Street
20 to Manton Avenue, then continuing southeast on Manton Avenue until Delaine Street, then
21 heading northeast on Delaine Street until Appleton Street, then continuing northwesterly on
22 Appleton Street until Bowdoin Street, then heading north on Bowdoin Street until Barstow Street,
23 then heading east on Barstow until Valley Street, then heading northeast on Valley Street to
24 Hemlock Street, then turning southeast on Hemlock Street until Promenade Street, then heading
25 east on Promenade Street to Acorn Street, then heading south on Acorn Street to the intersection
26 of Acorn Street and Harris ~~Avenue~~ Avenue. The abovementioned streets shall be included in
27 the district. The "Westerly arts and entertainment district" is defined in section 44-18-
28 30B(c)(1)(i). The "Pawtucket arts and entertainment district" shall be defined as the area
29 beginning at the point of intersection of Dexter Street and the Central Falls line, then east along
30 the Central Falls Line to the Blackstone River, then north along the city boundary on the
31 Blackstone River to the Cumberland line, then west along the Pawtucket city boundary line to I-
32 95, then south along I-95 to Pine Street, then north on Pine Street to AMTRAK Right of Way,
33 then northwest along the AMTRAK Right of Way to Dexter Street, then north on Dexter Street to
34 the Central Falls line. Said Pawtucket arts and entertainment district also includes the area

1 beginning at a point in the intersection of Dexter Street and the Pawtucket/Central Falls city
2 boundary; then continuing westerly along Pawtucket/Central Falls city boundary to the
3 intersection of Pine Street; then continuing southerly along Pine Street to the intersection of
4 Conant Street; then continuing southwesterly along Conant Street to the Intersection of Weeden
5 Street; then continuing west along Weeden Street to the intersection of New Street; then
6 continuing southerly along New Street to the intersection of Fairlawn Avenue; then continuing
7 southerly along Fairlawn Avenue to the intersection of Mineral Spring Avenue; then continuing
8 east along Mineral Spring Avenue to the intersection of San Antonio Way; then continuing
9 southeasterly along San Antonio Way to the intersection of Grotto Avenue; then continuing east
10 along Grotto Avenue to the intersection with the Moshassuck River; then continuing south along
11 the Moshassuck River to the intersection with I-95; then continuing south along I-95 to the
12 intersection with the Pawtucket/Providence city boundary; then continuing east along the
13 Pawtucket/Providence city boundary to the intersection of the Moshassuck River; then continuing
14 north along the Moshassuck River to the intersection of Grenville Street; then continuing east
15 along Grenville Street to the intersection of Main Street; then continuing south along Main Street
16 to the intersection of Pawtucket Avenue; then continuing northeast along Pawtucket Avenue to
17 the intersection of Glenwood Avenue; then continuing northwest along Glenwood Avenue to the
18 intersection of West Avenue; then continuing northeast along West Avenue to the intersection of
19 Trenton Street; then continuing west along Trenton Street to the intersection of Main Street; then
20 continuing south along Main Street to a point approximately eighty-three feet (83') feet south
21 from the southerly line of Campbell Terrace; then west and north along the rear property lines of
22 those properties fronting Campbell Terrace to the intersection of Dudley Street (now abandoned);
23 then east along a portion of Dudley Street (now abandoned) and Dudley Street to the intersection
24 of Main Street; then continuing north along Main Street to the intersection of Warren Avenue;
25 then continuing west along Warren Avenue to the intersection of Este Avenue; then continuing
26 north along Esten Avenue to the intersection of Barnes Street; then continuing northwest across I-
27 95 to the Providence and Worcester Railroad right-of-way; then continuing north along the
28 Providence Worcester Railroad right-of-way to the intersection of Mineral Spring Avenue; then
29 continuing east along Mineral Spring Avenue to the intersection of Pine Street; then continuing
30 north along Pine Street to the intersection of Goff Avenue; then continuing east along Goff
31 Avenue to the intersection of Dexter Street; then continuing north along Dexter Street to the
32 intersection with the Pawtucket/ Central Falls city boundary, also being the point and place of
33 beginning; excluding the Mineral Spring Avenue Cemetery that is a National Register Historic
34 District. The abovementioned streets shall be included in the district. The "Woonsocket arts and

1 entertainment district" shall be defined as the area beginning at a point of land on the southwest
2 bank of the Blackstone River abutting the bridge for the Providence & Worcester Railroad and
3 proceeding northerly to a point at the intersection of Worrall Street, Clinton Street and Harry S.
4 Truman Drive, then proceeding northwesterly along Worrall Street to its intersection with Social
5 Street, then turning westerly on Social Street proceeding to its intersection with Main Street,
6 Blackstone Street and North Main Street, then turning northwesterly and proceeding along
7 Blackstone Street to its intersection with River Street, then turning northerly and proceeding
8 along River Street to its intersection with the northeast bank of Blackstone River, then following
9 the riverbank southerly to the bridge at Bernon Street and turning easterly crossing the Blackstone
10 River via Bernon Street and proceeding to its intersection with Front Street, then turning
11 northeasterly on Front Street and proceeding to its intersection with Hamlet Avenue, and to
12 include the former Courthouse on the southerly side of Front Street at its intersection with Hamlet
13 Avenue, then turning easterly on Hamlet Avenue and proceeding to its intersection with Manville
14 Road, then turning southeasterly on Manville Road and proceeding to its intersection with
15 Davison Avenue, then turning northeasterly on Davison Avenue and proceeding to a point on the
16 southwest bank of the Blackstone River, then turning northerly, following the southerly riverbank
17 to the point of beginning. The abovementioned streets are included in the district. The Warwick
18 arts district is defined as that area known as Pontiac Village, beginning on Route 5 at the
19 Warwick/Cranston municipal boundary, then south to the intersection of Route 5 and the
20 Pawtuxet River, then following the Pawtuxet River in an easterly and northerly direction to the
21 municipal boundary in the vicinity of Knight Street, then from the intersection of Knight Street
22 and the municipal boundary westerly along the Warwick/Cranston municipal boundary to the
23 intersection of Route 5 and Greenwich Avenue. The above named streets are included in the
24 district.

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

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

30 (ii) Who is determined by the tax administrator, after consideration of any evidence in
31 relation to the matter which the individual submits to him or her and after such consultation as
32 may seem to him or her to be necessary with such person or body of persons as in his or her
33 opinion may be of assistance to him or her, to avenue written, composed or executed either solely
34 or jointly with another individual, a work or works that would fall into one of the categories listed

1 in subsection (a) of this section.

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

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

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

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

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

22 SECTION 3. This act shall take effect upon passage.

=====
LC01549
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TAXATION - SALES AND USE TAXES - LIABILITY AND
COMPUTATION - PERSONAL INCOME TAX

- 1 This act would amend the laws for tax exempt artistic communities to include certain
- 2 parts of the city of Pawtucket.
- 3 This act would take effect upon passage.

=====
LC01549
=====