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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: Representatives Silva, and McLaughlin

Date Introduced: January 16, 2013

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  
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

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- 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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