

2015 -- H 6104

LC002435

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO TAXATION -- RHODE ISLAND LIVABLE HOME TAX CREDIT ACT

Introduced By: Representatives Naughton, Canario, Shekarchi, Bennett, and Keable

Date Introduced: April 17, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 70

4 RHODE ISLAND LIVABLE HOME TAX CREDIT ACT

5 **44-70-1. Short title.** -- This chapter shall be known and may be cited as the "Rhode
6 Island Livable Home Tax Credit Act."

7 **44-70-2. Definitions.** -- For the purpose of this chapter:

8 (1) "Corporation" means Rhode Island housing and mortgage finance corporation.

9 (2) "Director" means the executive director of that corporation.

10 **44-70-3. Tax credits.** -- For taxable years beginning on and after January 1, 2016, any
11 taxpayer who purchases a new residence or retrofits or hires someone to retrofit an existing
12 residence, provided that such new residence or the retrofitting of such existing residence is
13 designed to improve accessibility, provide universal visitability, and meets the eligibility
14 requirements established by guidelines developed by the corporation, shall be allowed a credit
15 against the tax imposed pursuant to § 44-30-1 of an amount equal to five thousand dollars
16 (\$5,000) for such new residence, or fifty percent (50%) of the total amount spent for the
17 retrofitting of such existing residence, not to exceed five thousand dollars (\$5,000). The credit
18 shall be allowed for the taxable year in which the residence has been purchased or construction,
19 retrofitting, or renovation of the residence or residential structure or unit has been completed.

1 Such a credit shall require application by the taxpayer as provided in § 44-70-4.

2 **44-70-4. Applications.** -- Eligible taxpayers shall apply for the credit by making
3 application to the corporation, which shall issue a certification for an approved application to the
4 taxpayer. The taxpayer shall attach the certification to the applicable income tax return. The total
5 amount of tax credits granted under this section for any fiscal year shall not exceed five hundred
6 thousand dollars (\$500,000). In each year, the corporation shall allocate two hundred fifty
7 thousand dollars (\$250,000) in tax credits for the purchase or construction of new residences and
8 two hundred fifty thousand dollars (\$250,000) in tax credits for the retrofitting or renovation of
9 existing residences or residential structures or units. If the amount of tax credits approved in a
10 fiscal year for the purchase or construction of new residences is less than two hundred fifty
11 thousand dollars (\$250,000), the director of the corporation shall allocate the remaining balance
12 of such tax credits for the retrofitting or renovation of existing residences or residential structures
13 or units. If the amount of tax credits approved in a fiscal year for the retrofitting or renovation of
14 existing residences or residential structures or units is less than two hundred fifty thousand dollars
15 (\$250,000), the director shall allocate the remaining balance of such tax credits for the purchase
16 or construction of new residences. In the event applications for the tax credit exceed the amount
17 allocated by the director for the fiscal year, the corporation shall issue the tax credits pro rata
18 based upon the amount of tax credit approved for each taxpayer and the amount of tax credits
19 allocated by the director.

20 **44-70-5. Limitations.** -- (a) No credit shall be allowed under this chapter for the
21 purchase, construction, retrofitting, or renovation of residential rental property.

22 (b) In no case shall the director issue any tax credit relating to transactions or dealings
23 between affiliated entities. In no case shall the director issue any tax credit more than once to the
24 same or different persons relating to the same retrofitting, renovation, or construction project.

25 (c) In no case shall the amount of credit taken by a taxpayer pursuant to this chapter
26 exceed the taxpayer's income tax liability for the taxable year. If the amount of credit allowed for
27 the taxable year in which the residence has been purchased or construction, retrofitting, or
28 renovation of the residence or residential structure or unit has been completed exceeds the
29 taxpayer's income tax liability imposed for such taxable year, then the amount that exceeds the
30 tax liability may be carried over for credit against the income taxes of such taxpayer in the next
31 seven (7) taxable years or until the total amount of the tax credit issued has been taken, whichever
32 is sooner. Credits granted to a partnership, limited liability company, or electing small business
33 corporation (S corporation) shall be allocated to the individual partners, members, or
34 shareholders, respectively, in proportion to their ownership or interest in such business entities.

1 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 -- RHODE ISLAND LIVABLE HOME TAX CREDIT ACT

1 This act would establish the "Rhode Island Livable Home Tax Credit Act", and provide
2 for its administration.

3 This act would take effect upon passage.

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