

1 **ARTICLE 2**

2 RELATING TO ECONOMIC DEVELOPMENT AND TAX CREDITS

3 SECTION 2. Sections 42-64.28-2, 42-64.28-3, 42-64.28-4, and 42-64.28-5 of the General
4 Laws in Chapter 42-64.28 entitled "Innovation Initiative" are hereby amended to read as follows:

5 **42-64.28-2 Definitions.**

6 As used in this chapter:

7 (1) "Commerce corporation" means the Rhode Island commerce corporation established
8 pursuant to 42-64-1 et seq.

9 (2) "Small business" means a business that is resident in Rhode Island, has its business
10 facility located within the state, and employs five hundred (500) or fewer persons.

11 (3) "Manufacturer" shall have the same meanings as provided in 44-3-3(20)(iii) and (iv)
12 and shall include any business described in major groups 20 through 39 in the standard industrial
13 classification manual prepared by the technical committee on industrial classification, office of
14 statistical standards, executive office of the president, United States Bureau of Budget, as revised
15 from time to time; provided, however, that notwithstanding the foregoing the term shall include
16 any business engaged in the processing, refining, metalworking, packaging, warehousing, shipping,
17 and distribution of goods.

18 (4) "Small business manufacturer" shall mean a business that meets the definitions of terms
19 small business and manufacturer as defined herein.

20 ~~(3)~~ (5) "Match" shall mean a funding match, or in kind services provided by a third party.

21 ~~(4)~~-(6) "Targeted industry" means any advanced, promising or otherwise prioritized
22 industry identified in the economic development vision and policy promulgated pursuant to 42-
23 64.17-1 or, until such time as any such economic development vision and policy is promulgated,
24 as identified by the commerce corporation.

25 **42-64.28-3 Programs Established.**

26 (a) The Rhode Island commerce corporation shall establish a voucher program and an
27 innovation network program as provided under this chapter. The programs are subject to available
28 appropriations and such other funding as may be dedicated to the programs.

29 (b) There is established an account in the name of the "innovation initiative fund" (the
30 "fund") under the control of the commerce corporation to fund the programs.

1 (1) The fund shall consist of:

2 (i) Money appropriated in the state budget to the fund;

3 (ii) Money made available to the fund through federal grants, programs or private
4 contributions;

5 (iii) Application or other fees paid to the fund to process applications for awards under this
6 chapter; and

7 (iv) Any other money made available to the fund.

8 (c) *Voucher program.* The commerce corporation is authorized; to develop and implement
9 an innovation voucher program to provide financing to small businesses to purchase research and
10 development support or other forms of technical assistance and services from Rhode Island
11 institutions of higher education and other providers and to fund research and development by and
12 for small business manufacturers.

13 (d) *Innovation network program.* The commerce corporation is authorized to provide
14 innovation grants to organizations, including non-profit organizations, for-profit organizations,
15 universities, and co-working space operators that offer technical assistance, space on flexible terms,
16 and access to capital to businesses in advanced or targeted industries. The commerce corporation
17 shall only issue grants under this subsection when those grants are matched by private sector or
18 non-profit partners. The commerce corporation shall establish guidelines for appropriate matching
19 criteria under this section, including necessary matching ratios.

20 **42-64.28-4 Eligible uses.**

21 (a) Vouchers available under this chapter shall be used for the benefit of small businesses
22 to access technical assistance and other services including, but not limited to, research,
23 technological development, product development, commercialization, market development,
24 technology exploration, and improved business practices that implement strategies to grow
25 business and create operational efficiencies.

26 (b) Vouchers available under this chapter shall be used to provide funding to finance
27 internal research and development by and for small business manufacturers, including, but not
28 limited to, research, technological development, product development, commercialization, market
29 development, technology exploration, and improved business practices that implement strategies
30 to grow business and create operational efficiencies. Subject to appropriation, the commerce
31 corporation shall reserve up to one million dollars (\$1,000,000.00) to be made available in fiscal
32 year 2018 for vouchers awarded to small business manufacturers under this subsection.

33 ~~(c)~~ (c) Matching fund awards shall be used for the benefit of small businesses in industries
34 designated from time-to-time by the corporation, including without limitation, life science and

1 healthcare; food and agriculture; clean technology and energy efficiency; and cyber security to pay
2 for and access technological assistance, to procure space on flexible terms, and to access capital
3 from organizations, including non-profit organizations, for-profit organizations, universities, and
4 co-working space businesses.

5 **42-64.28-5 Qualification.**

6 (a) To qualify for a voucher or for a matching fund award under this chapter, a business
7 must make application to the commerce corporation, and upon selection, shall enter into an
8 agreement with the commerce corporation. The commerce corporation shall have no obligation to
9 issue any voucher, make any award or grant any benefits under this chapter.

10 (b) In a given tax year, a business shall not receive a voucher or matching fund award
11 provided for under this chapter in conjunction with the tax credit provided for in section 44-32-3
12 of the general laws.

13 SECTION 2. Title 42 of the General Laws, entitled “State Affairs and Government,” is
14 hereby amended by adding thereto the following chapter:

15 CHAPTER 64.33

16 REFUNDABLE INVESTMENT TAX CREDIT

17 **42-64.33-1. Short title.**

18 This chapter shall be known and may be cited as the “Refundable Investment Tax Credit
19 Act.”

20 **42-64.33-2. Legislative findings.**

21 Although chapter 31 of title 44 of the Rhode Island general laws (the “Investment Tax
22 Credit statute”) establishes tax credits for eligible taxpayers for certain investments for the
23 construction of facilities, the acquisition of tangible personal property, and the training of
24 employees, the Investment Tax Credit statute does not allow for the taking of such tax credits by
25 certain business entities and further does not provide for refunds to the extent that the tax credits
26 exceed the eligible taxpayers’ tax liability. Through the establishment of a refundable investment
27 tax credit program for manufacturers, Rhode Island can foster further investment by manufacturing
28 businesses and thereby encourage businesses to contribute in a meaningful way to the economic
29 development of this state. In so doing, this program will further advance the competitiveness of
30 Rhode Island and its companies in the national and global economies and result in the creation
31 and/or retention of jobs and tax revenues for the state.

32 **42-64.33-3. Definitions.**

33 As used in this chapter:

34 (1) “Business” means a manufacturer that is a C corporation, S corporation, partnership,

1 limited partnership, limited liability partnership, limited liability company, or sole proprietorship;

2 (2) “Commerce corporation” means the Rhode Island commerce corporation established
3 pursuant to general laws 42-64-1 et. seq.;

4 (3) “Eligible taxpayer” means a taxpayer eligible for an investment tax credit pursuant to
5 general law 44-31-1;

6 (4) “Manufacturing” and “Manufacturer” shall have the same meanings as provided in 44-
7 31-1(b)(1) and (2) and shall further include any entity described in major groups 20 through 39 in
8 the Standard Industrial Classification Manual prepared by the technical committee on industrial
9 classification, office of statistical standards, executive office of the president, United States Bureau
10 of Budget, as revised from time to time.

11 (5) “Refund or redemption” for purposes of this chapter means the taking of a tax credit
12 against a tax liability or obtaining a refund for a tax credit or a portion thereof.

13 (6) “Targeted industries” shall have the same meaning as provide din general law 42-64.20-
14 3 (Rebuild Rhode Island Tax Credit Program) and the regulations promulgated thereunder.

15 (7) “Tax liability” for purposes of this chapter means (i) the amount of tax owed to the state
16 of Rhode Island calculated as the Rhode Island adjusted taxable income minus any Rhode Island
17 tax credit on Schedule B-CR other than credits allowed under this chapter; or (ii) the minimum tax
18 for filers of Form RI 11120S; or (iii) the Rhode Island annual fee for file.

19 **42-64.33-4. Establishment of program.**

20 A refundable investment tax credit program is hereby established as a program under the
21 jurisdiction of and administered by the commerce corporation.

22 **42-64.33-5. Refundable Tax credits.**

23 (a) To be eligible to to take and or redeem tax credits under this chapter, a business must
24 submit a completed application to the commerce corporation for approval prior to making the
25 investment that will give rise to the requested tax credit. Such application shall be developed by
26 the commerce corporation.

27 (b) The commerce corporation may take into account the following factors in determining
28 whether to approve an application for a refundable investment tax credit pursuant to this chapter:
29 the nature and amount of the business’s investment; the necessity of the investment and/or credit;
30 whether the business is engaged in a targeted industry; the number of jobs created by the business’s
31 investment; whether the investment took place in a Hope community as defined in general law 42-
32 64.20-3 and the regulations promulgated thereunder; and such other factors as the commerce
33 corporation deems relevant.

34 (c) The refundable tax credit shall be available only to the extent that the business’s

1 investment credit exceeds that business's tax liability for the tax year in which the credit is
2 available.

3 (d) The amount of the refundable tax credit available to any business in any given tax year
4 shall not exceed the sum of two-hundred thousand dollars (\$200,000).

5 (e) Prior to approving an application for refundable credits, the commerce corporation shall
6 require the business to enter into an incentive agreement setting forth the business's eligibility to
7 use or redeem the tax credits and the terms and conditions governing the approval and receipt of
8 the refundable tax credits.

9 (f) To take or redeem refundable tax credit authorized by the corporation, an eligible
10 business shall apply annually to the commerce corporation for a certification that the business has
11 met all the requirements of this chapter and the incentive agreement. The commerce corporation
12 shall either issue a certification to the business or provide a written response detailing any
13 deficiencies precluding certification. The commerce corporation may deny an applicant for
14 certification, or declare the incentive agreement null and void if the business does not meet all
15 requirements of this chapter and/or any additional terms and conditions of the incentive agreement.

16 (g) Upon issuance of a certification by the commerce corporation under subsection (f)
17 above, and at the request of the business, the division of taxation shall, on behalf of the State of
18 Rhode Island issue redemption tax certificate(s) as specified in the certification issued by the
19 commerce corporation pursuant to section (f) above.

20 (h) A taxpayer shall be entitled to take investment tax credits, up to the limit authorized in
21 this chapter, against taxes imposed pursuant to chapters 11 and 30 of title 44.

22 (i) Subject to annual appropriation in the state budget and upon written request of a
23 taxpayer, the state shall refund the amount of tax credit provided under this chapter in whole or in
24 part up to one hundred percent (100%) of the value of the redemption certificates issued under
25 subsection (g) reduced by the amount of the tax credit taken, if any; provided however, that taxpayer
26 may only claim a refund of a credit amount, in whole or part, for the year for which the tax credit
27 was issued. Credits carried over pursuant to subsection (j) shall not be refundable.

28 (j) If the tax credit allowed under this chapter exceeds the taxpayer's total tax liability for
29 the year in which the credit is allowed, the amount that exceeds the taxpayer's tax liability after
30 taking account any credit taken under this chapter may either be refunded pursuant to subsection
31 (i) or carried forward for credit against the tax liability for the succeeding years, or until the tax
32 credit is used in full, whichever occurs first.

33 (k) In the case of a corporation that files a consolidated return, this credit shall only be
34 allowed against the tax of a corporation included in a consolidated return that qualifies for the credit

1 and not against the tax of other corporations that may join in the filing of a consolidated tax return.

2 (l) Credits allowed to a partnership, a limited liability company taxed as a partnership, or
3 multiple owners of property shall be passed through to the persons designated as partners, members
4 or owners respectively pro rata or pursuant to an executed agreement among such persons
5 designated as partners, members or owners documenting an alternate distribution method without
6 regard to their sharing of other tax or economic attributes of such entity.

7 (m) Any expenses used for calculating the tax credit under this chapter cannot be used in
8 calculating a tax credit under any other tax credit program in Rhode Island law.

9 (n) In the event any taxpayer seeking a refund under this chapter has outstanding Rhode
10 Island tax obligations, the division of taxation shall be permitted to apply said refund to the
11 outstanding tax obligations.

12 **42-64.33-6. Refundable investment tax credit fund.**

13 There is hereby established at the commerce corporation a restricted account known as the
14 refundable investment tax credit fund (the “fund”) into which all amounts appropriated in the state
15 budget for the redemption of tax credits under this chapter shall be deposited. The fund shall be
16 used to pay for the redemption of investment tax credits pursuant to the provisions of this chapter
17 and for which a taxpayer is eligible under general laws 44-31-1. The fund shall be exempt from
18 attachment, levy or any other process at law or in equity. The director of the department of revenue
19 shall make a requisition to the commerce corporation for funding during any fiscal year as may be
20 necessary to pay for the redemption pursuant to this chapter. The commerce corporation shall pay
21 from the fund such amounts as requested by the director of the department of revenue necessary to
22 redeem tax credits pursuant to this chapter.

23 **42-64.33-7. Program integrity.**

24 (a) Program integrity being of paramount importance, the commerce corporation shall
25 establish procedures to ensure ongoing compliance with the terms and conditions of the program
26 established herein, including procedures to safeguard approval of redemption of the credits and to
27 ensure that authorized redemptions further the objectives of the program.

28 (b) The commerce corporation and division of taxation may promulgate such rules and
29 regulations pursuant to chapter 35 of title 42 of the general laws as deemed necessary to carry out
30 the intent, purpose and implementation of the program established under this chapter.

31 **42-64.33-8. Reporting requirements.**

32 (a) By September 1, 2018 and each year thereafter, the commerce corporation shall report
33 the name and address of each business entering into an incentive agreement during the previous
34 state fiscal year to the division of taxation. The commerce corporation shall also make this

1 information publicly available on its website. In addition, the commerce corporation shall provide
2 the division of taxation a copy of each incentive agreement as they are executed.

3 (b) By December 1, 2018 and each year thereafter, the office of management and budget
4 shall provide the governor with the sum, if any, to be appropriated to fund the refundable investment
5 tax credit program.

6 SECTION 3. Title 42 of the General Laws, entitled “State Affairs and Government,” is
7 hereby amended by adding thereto the following chapter:

8 CHAPTER 64.34

9 REFUNDABLE JOBS TRAINING TAX CREDITS

10 **42-64.34-1. Short title.**

11 This chapter shall be known and may be cited as the “Refundable Jobs Training Tax Credit
12 Act.”

13 **42-64.34-2. Legislative findings.**

14 Although Chapter 64.6 of Title 42 of the Rhode Island General Laws (the “Jobs Training
15 Tax Credit statute”) establishes tax credits for qualifying employers for qualifying expenses
16 incurred in the training and/or retraining of qualifying employees, the Jobs Training Tax Credit
17 statute does not allow for the taking of such credits by certain business entities and further does not
18 provide for refunds to the extent that the qualifying employer’s job training tax credits exceed the
19 qualifying employer’s tax liability. Through the establishment of a refundable jobs training tax
20 credit program for manufacturers and businesses in targeted industries, Rhode Island can foster
21 further training and/or retraining of qualifying employees to meet the evolving needs of the
22 workforce and thereby encourage employers within those industries to contribute in a meaningful
23 way to the economic development of this state. In so doing, this program will further advance the
24 competitiveness of Rhode Island and its companies in the national and global economies and result
25 in the creation and/or retention of jobs in the state.

26 **42-64.34-3. Definitions.**

27 (1) As used in this chapter, “qualifying employee,” “qualifying employer,” and “qualifying
28 expenses” shall have the meanings set forth in 42-64.6-3.

29 (2) “Manufacturing” and “Manufacturer” shall have the same meanings as provided in 44-
30 31-1(b)(1) and (2) and shall further include any business described in major groups 20 through 39
31 in the Standard Industrial Classification Manual prepared by the technical committee on industrial
32 classification, office of statistical standards, executive office of the president, United States Bureau
33 of Budget, as revised from time to time; provided, however, that notwithstanding the foregoing, the
34 terms shall include any business engaged in the processing, refining, metalworking, packaging,

1 warehousing, shipping, and distribution of goods.

2 (3) "Refund or redemption" for purposes of this chapter means the taking of a tax credit
3 against a tax liability or obtaining a refund for a tax credit or a portion thereof.

4 (4) "Targeted industries" shall have the same meaning as provide din general law 42-64.20-
5 3 (Rebuild Rhode Island Tax Credit Program) and the regulations promulgated thereunder.

6 (5) "Tax liability" for purposes of this chapter means (i) the amount of tax owed to the state
7 of Rhode Island calculated as the Rhode Island adjusted taxable income minus any Rhode Island
8 tax credit on Schedule B-CR other than credits allowed under this chapter; or (ii) the minimum tax
9 for filers of Form RI 11120S; or (iii) the Rhode Island annual fee for file.

10 **42-64.34-4. Establishment of program.**

11 A refundable jobs training tax credit program is hereby established as a program under the
12 jurisdiction of and administered by the commerce corporation. Qualifying employers that are not
13 manufacturers or are not within a targeted industry shall not be eligible for the refundable tax credit
14 created by this section.

15 **42-64.34-5. Refundable Tax credits.**

16 (a) To be eligible to take and/or redeem tax credits under this chapter, a qualifying
17 employer must submit a completed application to the commerce corporation for approval prior to
18 incurring the expenses for the training that will give rise to the requested tax credit. Such
19 application shall be developed by the commerce corporation.

20 (b) The commerce corporation may take into account the following factors in determining
21 whether to approve a qualifying employer for a refundable jobs training tax credit pursuant to this
22 section: the number of the qualifying employer's qualifying employees and the amount of the
23 qualifying employer's qualifying expenses; the necessity of the training expenses and/or credit; the
24 number of jobs created and/or retained as a result of the qualified expenses incurred by the
25 qualifying employer; whether the jobs training and/or retraining was applicable to a qualifying
26 employer located in a Hope Community, as defined in general law 42-64.20-3 and the regulations
27 promulgated thereunder; and such other factors as the commerce corporation deems relevant.

28 (c) The refundable jobs training tax credit shall be available only to the extent that the
29 qualifying employer's jobs training tax credit exceeds that qualifying employer's tax liability for
30 the tax year in which the credit is available.

31 (d) The amount of the refundable tax credit available to any qualifying employer in any
32 given tax year shall not exceed the sum of two-hundred thousand dollars (\$200,000).

33 (e) Prior to approving an application for refundable tax credits, the commerce corporation
34 shall require the qualifying employer to enter into an incentive agreement setting forth the

1 qualifying employer's eligibility to use or redeem tax credits and the terms and conditions
2 governing the approval and receipt of the tax credits.

3 (f) To take or redeem a refundable tax credit authorized by the corporation, a qualifying
4 employer shall apply annually to the commerce corporation for a certification that the qualifying
5 employer has met all the requirements of this chapter and the incentive agreement. The commerce
6 corporation shall either issue ta certification o the qualifying employer or provide a written response
7 detailing any deficiencies precluding certification. The commerce corporation may deny an
8 application for certification, or declare the incentive agreement null and void if the qualifying
9 employer does not meet all requirements of this chapter and/or any additional terms and conditions
10 of the incentive agreement.

11 (g) Upon issuance of a certification by the commerce corporation under subsection (f)
12 above and at the written request of the qualifying employer, the division of taxation shall, on behalf
13 of the State of Rhode Island, issue redemption tax certificate(s) as specified in the certification
14 issued by the commerce corporation pursuant to section (f).

15 (h) A taxpayer shall be entitled to take jobs training tax credits, up to the limit authorized
16 in this chapter, against taxes imposed pursuant to chapters 11, 13 (except for 44-13-13), 14, 17, and
17 30 of title 44.

18 (i) Subject to annual appropriation in the state budget and upon written request of a
19 taxpayer, the state shall refund the amount of tax credit provided under this chapter in whole or in
20 part up to one hundred percent (100%) of the value of the redemption certificates issued under
21 subsection (g) reduced by the amount of the tax credit taken, if any; provide, however, that a
22 taxpayer may only claim a refund of a tax credit amount, in whole or in part, for the year for which
23 the tax credit was issued. Credits carried over pursuant to subsection (j) shall not be refundable.

24 (j) If the tax credit allowed under this chapter exceeds the taxpayer's total tax liability for
25 the year in which the credit is allowed, the amount that exceeds the taxpayer's tax liability after
26 taking into account any credit taken under this chapter may either be refunded pursuant to
27 subsection (i) or carried forward for credit against the tax liability for the succeeding years, or until
28 the tax credit is used in full, whichever occurs first.

29 (k) In the case of a qualifying employer that is a corporation that file a consolidated return,
30 this credit shall only be allowed against the tax of a corporation included in a consolidated return
31 that qualifies for the credit and not against the tax of other corporations that may join in the filing
32 of a consolidated tax return.

33 (l) Credits allowed to a qualifying employer that is a partnership, a limited liability
34 company taxed as a partnership, or that is owned by multiple persons shall be passed through to the

1 persons designated as partners, members or owners respectively pro rata or pursuant to an executed
2 agreement among such persons designated as partners, members or owners documenting an
3 alternate distribution method without regard to their sharing of other tax or economic attributes of
4 such entity.

5 (m) Any expenses used for calculating the tax credit under this chapter cannot be used in
6 calculating a tax credit under any other tax credit program in Rhode Island law.

7 (n) In the event any taxpayer seeking a refund under this chapter has outstanding Rhode
8 Island tax obligations, the division of taxation shall be permitted to apply said refund to the
9 outstanding tax obligations.

10 **42-64.34-6. Refundable jobs training tax credit fund.**

11 There is hereby established at the commerce corporation a restricted account known as the
12 refundable jobs training tax credit fund (the “fund”) in to which all amounts appropriated in the
13 state budget for the redemption of tax credits under this chapter shall be deposited. The fund shall
14 be used to pay for the redemption of jobs training tax credits pursuant to the provisions of this
15 chapter and for which a taxpayer is eligible under general laws 42-64.6-1, et seq. The fund shall
16 be exempt from attachment, levy or any other process at law or in equity. The director of the
17 department of revenue shall make a requisition to the commerce corporation for funding during
18 any fiscal year as may be necessary to pay for the redemption of tax credits pursuant to this chapter.
19 The commerce corporation shall pay from the fund such amounts requested by the director of the
20 department of revenue necessary to redeem tax credits pursuant to this chapter.

21 **42-64.34-7. Program integrity.**

22 (a) Program integrity being of paramount importance, the commerce corporation shall
23 establish procedures to ensure ongoing compliance with the terms and conditions of the program
24 established herein, including procedures to safeguard approval of redemption of the credits and to
25 ensure that authorized redemptions further the objectives of the program.

26 (b) The commerce corporation and division of taxation may promulgate such rules and
27 regulations pursuant to chapter 35 of title 42 of the general laws as deemed necessary to carry out
28 the intent, purpose and implementation of the program established under this chapter.

29 **42-64.34-8. Reporting requirements.**

30 (a) By September 1, 2018 and each year thereafter, the commerce corporation shall report
31 the name and address of each qualifying employer entering into an incentive agreement during the
32 previous state fiscal year to the division of taxation. The commerce corporation shall also make
33 this information publicly available on its website. In addition, the commerce corporation shall
34 provide the division of taxation a copy of each incentive agreement as they are executed.

1 [the fiscal year, and shall be provided to the speaker of the house of representatives and the president](#)
2 [of the senate.](#)

3 **42-64.35-5 Program integrity.**

4 [Program integrity being of paramount importance, the commerce corporation shall](#)
5 [establish procedures to ensure ongoing compliance with the terms and conditions of the program](#)
6 [established herein, including procedures to safeguard the expenditure of public funds and to ensure](#)
7 [that the funds further the objectives of the program.](#)

8 **42-64.35-6 Sunset.**

9 [No incentives shall be authorized pursuant to this chapter after December 31, 2019.](#)

10 SECTION 5. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled "Personal
11 Income Tax" is hereby amended to read as follows:

12 **44-30-2.6. Rhode Island taxable income -- Rate of tax. [Effective January 1, 2017.]**

13 (a) "Rhode Island taxable income" means federal taxable income as determined under the
14 Internal Revenue Code, 26 U.S.C. § 1 et seq., not including the increase in the basic, standard-
15 deduction amount for married couples filing joint returns as provided in the Jobs and Growth Tax
16 Relief Reconciliation Act of 2003 and the Economic Growth and Tax Relief Reconciliation Act
17 of 2001 (EGTRRA), and as modified by the modifications in § 44-30-12.

18 (b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years beginning on
19 or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode Island
20 taxable income of residents and nonresidents, including estates and trusts, at the rate of twenty-
21 five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year
22 2002 and thereafter of the federal income tax rates, including capital gains rates and any other
23 special rates for other types of income, except as provided in § 44-30-2.7, which were in effect
24 immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation Act of
25 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax administrator
26 beginning in taxable year 2002 and thereafter in the manner prescribed for adjustment by the
27 commissioner of Internal Revenue in 26 U.S.C. § 1(f). However, for tax years beginning on or
28 after January 1, 2006, a taxpayer may elect to use the alternative flat tax rate provided in § 44-30-
29 2.10 to calculate his or her personal income tax liability.

30 (c) For tax years beginning on or after January 1, 2001, if a taxpayer has an alternative
31 minimum tax for federal tax purposes, the taxpayer shall determine if he or she has a Rhode Island
32 alternative minimum tax. The Rhode Island alternative minimum tax shall be computed by
33 multiplying the federal tentative minimum tax without allowing for the increased exemptions
34 under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (as redetermined on federal

1 form 6251 Alternative Minimum Tax-Individuals) by twenty-five and one-half percent (25.5%)
2 for tax year 2001, and twenty-five percent (25%) for tax year 2002 and thereafter, and comparing
3 the product to the Rhode Island tax as computed otherwise under this section. The excess shall be
4 the taxpayer's Rhode Island alternative minimum tax.

5 (1) For tax years beginning on or after January 1, 2005, and thereafter, the exemption
6 amount for alternative minimum tax, for Rhode Island purposes, shall be adjusted for inflation by
7 the tax administrator in the manner prescribed for adjustment by the commissioner of Internal
8 Revenue in 26 U.S.C. § 1(f).

9 (2) For the period January 1, 2007, through December 31, 2007, and thereafter, Rhode
10 Island taxable income shall be determined by deducting from federal adjusted gross income as
11 defined in 26 U.S.C. § 62 as modified by the modifications in § 44-30-12 the Rhode Island
12 itemized-deduction amount and the Rhode Island exemption amount as determined in this section.

13 (A) Tax imposed.

14 (1) There is hereby imposed on the taxable income of married individuals filing joint
15 returns and surviving spouses a tax determined in accordance with the following table:

16 If taxable income is:	The tax is:
17 Not over \$53,150	3.75% of taxable income
18 Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
19 Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
20 Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
21 Over \$349,700	\$26,333.75 plus 9.90% of the excess over \$349,700

22 (2) There is hereby imposed on the taxable income of every head of household a tax
23 determined in accordance with the following table:

24 If taxable income is:	The tax is:
25 Not over \$42,650	3.75% of taxable income
26 Over \$42,650 but not over \$110,100	\$1,599.38 plus 7.00% of the excess over \$42,650
27 Over \$110,100 but not over \$178,350	\$6,320.88 plus 7.75% of the excess over \$110,100
28 Over \$178,350 but not over \$349,700	\$11,610.25 plus 9.00% of the excess over \$178,350
29 Over \$349,700	\$27,031.75 plus 9.90% of the excess over \$349,700

30 (3) There is hereby imposed on the taxable income of unmarried individuals (other than
31 surviving spouses and heads of households) a tax determined in accordance with the following
32 table:

33 If taxable income is:	The tax is:
34 Not over \$31,850	3.75% of taxable income

1	Over \$31,850 but not over \$77,100	\$1,194.38 plus 7.00% of the excess over \$31,850
2	Over \$77,100 but not over \$160,850	\$4,361.88 plus 7.75% of the excess over \$77,100
3	Over \$160,850 but not over \$349,700	\$10,852.50 plus 9.00% of the excess over \$160,850
4	Over \$349,700	\$27,849.00 plus 9.90% of the excess over \$349,700

5 (4) There is hereby imposed on the taxable income of married individuals filing separate
6 returns and bankruptcy estates a tax determined in accordance with the following table:

7	If taxable income is:	The tax is:
8	Not over \$26,575	3.75% of taxable income
9	Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
10	Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250
11	Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
12	Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850

13 (5) There is hereby imposed a taxable income of an estate or trust a tax determined in
14 accordance with the following table:

15	If taxable income is:	The tax is:
16	Not over \$2,150	3.75% of taxable income
17	Over \$2,150 but not over \$5,000	\$80.63 plus 7.00% of the excess over \$2,150
18	Over \$5,000 but not over \$7,650	\$280.13 plus 7.75% of the excess over \$5,000
19	Over \$7,650 but not over \$10,450	\$485.50 plus 9.00% of the excess over \$7,650
20	Over \$10,450	\$737.50 plus 9.90% of the excess over \$10,450

21 (6) Adjustments for inflation.

22 The dollars amount contained in paragraph (A) shall be increased by an amount equal to:

- 23 (a) Such dollar amount contained in paragraph (A) in the year 1993, multiplied by;
- 24 (b) The cost-of-living adjustment determined under section (J) with a base year of 1993;
- 25 (c) The cost-of-living adjustment referred to in subparagraphs (a) and (b) used in making
- 26 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall
- 27 be determined under section (J) by substituting "1994" for "1993."

28 (B) Maximum capital gains rates.

29 (1) In general.

30 If a taxpayer has a net capital gain for tax years ending prior to January 1, 2010, the tax
31 imposed by this section for such taxable year shall not exceed the sum of:

- 32 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section
- 33 26 U.S.C. 1(h)(1)(a) and 26 U.S.C. 1(h)(1)(b).
- 34 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.

1 1(h)(1)(c).

2 (c) 6.25% of the net capital gain as reported for federal income tax purposes under 26
3 U.S.C. 1(h)(1)(d).

4 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
5 1(h)(1)(e).

6 (2) For tax years beginning on or after January 1, 2010, the tax imposed on net capital gain
7 shall be determined under subdivision 44-30-2.6(c)(2)(A).

8 (C) Itemized deductions.

9 (1) In general.

10 For the purposes of section (2), "itemized deductions" means the amount of federal
11 itemized deductions as modified by the modifications in § 44-30-12.

12 (2) Individuals who do not itemize their deductions.

13 In the case of an individual who does not elect to itemize his deductions for the taxable
14 year, they may elect to take a standard deduction.

15 (3) Basic standard deduction.

16 The Rhode Island standard deduction shall be allowed in accordance with the following
17 table:

18 Filing status	Amount
19 Single	\$5,350
20 Married filing jointly or qualifying widow(er)	\$8,900
21 Married filing separately	\$4,450
22 Head of Household	\$7,850

23 (4) Additional standard deduction for the aged and blind.

24 An additional standard deduction shall be allowed for individuals age sixty-five (65) or
25 older or blind in the amount of \$1,300 for individuals who are not married and \$1,050 for
26 individuals who are married.

27 (5) Limitation on basic standard deduction in the case of certain dependents.

28 In the case of an individual to whom a deduction under section (E) is allowable to another
29 taxpayer, the basic standard deduction applicable to such individual shall not exceed the greater of:

30 (a) \$850;

31 (b) The sum of \$300 and such individual's earned income;

32 (6) Certain individuals not eligible for standard deduction.

33 In the case of:

34 (a) A married individual filing a separate return where either spouse itemizes deductions;

1 (b) Nonresident alien individual;

2 (c) An estate or trust;

3 The standard deduction shall be zero.

4 (7) Adjustments for inflation.

5 Each dollar amount contained in paragraphs (3), (4) and (5) shall be increased by an amount
6 equal to:

7 (a) Such dollar amount contained in paragraphs (3), (4) and (5) in the year 1988, multiplied
8 by

9 (b) The cost-of-living adjustment determined under section (J) with a base year of 1988.

10 (D) Overall limitation on itemized deductions.

11 (1) General rule.

12 In the case of an individual whose adjusted gross income as modified by § 44-30-12
13 exceeds the applicable amount, the amount of the itemized deductions otherwise allowable for the
14 taxable year shall be reduced by the lesser of:

15 (a) Three percent (3%) of the excess of adjusted gross income as modified by § 44-30-12
16 over the applicable amount; or

17 (b) Eighty percent (80%) of the amount of the itemized deductions otherwise allowable for
18 such taxable year.

19 (2) Applicable amount.

20 (a) In general.

21 For purposes of this section, the term "applicable amount" means \$156,400 (\$78,200 in the
22 case of a separate return by a married individual)

23 (b) Adjustments for inflation.

24 Each dollar amount contained in paragraph (a) shall be increased by an amount equal to:

25 (i) Such dollar amount contained in paragraph (a) in the year 1991, multiplied by

26 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

27 (3) Phase-out of Limitation.

28 (a) In general.

29 In the case of taxable year beginning after December 31, 2005, and before January 1, 2010,
30 the reduction under section (1) shall be equal to the applicable fraction of the amount which would
31 be the amount of such reduction.

32 (b) Applicable fraction.

33 For purposes of paragraph (a), the applicable fraction shall be determined in accordance
34 with the following table:

1	For taxable years beginning in calendar year	The applicable fraction is
2	2006 and 2007	2/3
3	2008 and 2009	1/3

4 (E) Exemption amount.

5 (1) In general.

6 Except as otherwise provided in this subsection, the term "exemption amount" means
7 \$3,400.

8 (2) Exemption amount disallowed in case of certain dependents.

9 In the case of an individual with respect to whom a deduction under this section is allowable
10 to another taxpayer for the same taxable year, the exemption amount applicable to such individual
11 for such individual's taxable year shall be zero.

12 (3) Adjustments for inflation.

13 The dollar amount contained in paragraph (1) shall be increased by an amount equal to:

14 (a) Such dollar amount contained in paragraph (1) in the year 1989, multiplied by

15 (b) The cost-of-living adjustment determined under section (J) with a base year of 1989.

16 (4) Limitation.

17 (a) In general.

18 In the case of any taxpayer whose adjusted gross income as modified for the taxable year
19 exceeds the threshold amount shall be reduced by the applicable percentage.

20 (b) Applicable percentage.

21 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
22 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
23 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
24 exceeds the threshold amount. In the case of a married individual filing a separate return, the
25 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the
26 applicable percentage exceed one hundred percent (100%).

27 (c) Threshold Amount.

28 For the purposes of this paragraph, the term "threshold amount" shall be determined with
29 the following table:

30	Filing status	Amount
31	Single	\$156,400
32	Married filing jointly of qualifying widow(er)	\$234,600
33	Married filing separately	\$117,300
34	Head of Household	\$195,500

1 (d) Adjustments for inflation.

2 Each dollar amount contained in paragraph (b) shall be increased by an amount equal to:

3 (i) Such dollar amount contained in paragraph (b) in the year 1991, multiplied by

4 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

5 (5) Phase-out of limitation.

6 (a) In general.

7 In the case of taxable years beginning after December 31, 2005, and before January 1,
8 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
9 would be the amount of such reduction.

10 (b) Applicable fraction.

11 For the purposes of paragraph (a), the applicable fraction shall be determined in accordance
12 with the following table:

13 For taxable years beginning in calendar year	The applicable fraction is
14 2006 and 2007	2/3
15 2008 and 2009	1/3

16 (F) Alternative minimum tax.

17 (1) General rule. There is hereby imposed (in addition to any other tax imposed by this
18 subtitle) a tax equal to the excess (if any) of:

19 (a) The tentative minimum tax for the taxable year, over

20 (b) The regular tax for the taxable year.

21 (2) The tentative minimum tax for the taxable year is the sum of:

22 (a) 6.5 percent of so much of the taxable excess as does not exceed \$175,000, plus

23 (b) 7.0 percent of so much of the taxable excess above \$175,000.

24 (3) The amount determined under the preceding sentence shall be reduced by the alternative
25 minimum tax foreign tax credit for the taxable year.

26 (4) Taxable excess. For the purposes of this subsection the term "taxable excess" means so
27 much of the federal alternative minimum taxable income as modified by the modifications in § 44-
28 30-12 as exceeds the exemption amount.

29 (5) In the case of a married individual filing a separate return, subparagraph (2) shall be
30 applied by substituting "\$87,500" for \$175,000 each place it appears.

31 (6) Exemption amount.

32 For purposes of this section "exemption amount" means:

33 Filing status	Amount
34 Single	\$39,150

1	Married filing jointly or qualifying widow(er)	\$53,700
2	Married filing separately	\$26,850
3	Head of Household	\$39,150
4	Estate or trust	\$24,650

5 (7) Treatment of unearned income of minor children

6 (a) In general.

7 In the case of a minor child, the exemption amount for purposes of section (6) shall not
8 exceed the sum of:

9 (i) Such child's earned income, plus

10 (ii) \$6,000.

11 (8) Adjustments for inflation.

12 The dollar amount contained in paragraphs (6) and (7) shall be increased by an amount
13 equal to:

14 (a) Such dollar amount contained in paragraphs (6) and (7) in the year 2004, multiplied by

15 (b) The cost-of-living adjustment determined under section (J) with a base year of 2004.

16 (9) Phase-out.

17 (a) In general.

18 The exemption amount of any taxpayer shall be reduced (but not below zero) by an amount
19 equal to twenty-five percent (25%) of the amount by which alternative minimum taxable income
20 of the taxpayer exceeds the threshold amount.

21 (b) Threshold amount.

22 For purposes of this paragraph, the term "threshold amount" shall be determined with the
23 following table:

24	Filing status	Amount
25	Single	\$123,250
26	Married filing jointly or qualifying widow(er)	\$164,350
27	Married filing separately	\$82,175
28	Head of Household	\$123,250
29	Estate or Trust	\$82,150

30 (c) Adjustments for inflation

31 Each dollar amount contained in paragraph (9) shall be increased by an amount equal to:

32 (i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by

33 (ii) The cost-of-living adjustment determined under section (J) with a base year of 2004.

34 (G) Other Rhode Island taxes.

1 (1) General rule. There is hereby imposed (in addition to any other tax imposed by this
2 subtitle) a tax equal to twenty-five percent (25%) of:

3 (a) The Federal income tax on lump-sum distributions.

4 (b) The Federal income tax on parents' election to report child's interest and dividends.

5 (c) The recapture of Federal tax credits that were previously claimed on Rhode Island
6 return.

7 (H) Tax for children under 18 with investment income.

8 (1) General rule. There is hereby imposed a tax equal to twenty-five percent (25%) of:

9 (a) The Federal tax for children under the age of 18 with investment income.

10 (I) Averaging of farm income.

11 (1) General rule. At the election of an individual engaged in a farming business or fishing
12 business, the tax imposed in section 2 shall be equal to twenty-five percent (25%) of:

13 (a) The Federal averaging of farm income as determined in IRC section 1301 [26 U.S.C. §
14 1301].

15 (J) Cost-of-living adjustment.

16 (1) In general.

17 The cost-of-living adjustment for any calendar year is the percentage (if any) by which:

18 (a) The CPI for the preceding calendar year exceeds

19 (b) The CPI for the base year.

20 (2) CPI for any calendar year.

21 For purposes of paragraph (1), the CPI for any calendar year is the average of the consumer
22 price index as of the close of the twelve (12) month period ending on August 31 of such calendar
23 year.

24 (3) Consumer price index.

25 For purposes of paragraph (2), the term "consumer price index" means the last consumer
26 price index for all urban consumers published by the department of labor. For purposes of the
27 preceding sentence, the revision of the consumer price index that is most consistent with the
28 consumer price index for calendar year 1986 shall be used.

29 (4) Rounding.

30 (a) In general.

31 If any increase determined under paragraph (1) is not a multiple of \$50, such increase shall
32 be rounded to the next lowest multiple of \$50.

33 (b) In the case of a married individual filing a separate return, subparagraph (a) shall be
34 applied by substituting "\$25" for \$50 each place it appears.

1 (K) Credits against tax. For tax years beginning on or after January 1, 2001, a taxpayer
2 entitled to any of the following federal credits enacted prior to January 1, 1996 shall be entitled to
3 a credit against the Rhode Island tax imposed under this section:

4 (1) [Deleted by P.L. 2007, ch. 73, art. 7, § 5].

5 (2) Child and dependent care credit;

6 (3) General business credits;

7 (4) Credit for elderly or the disabled;

8 (5) Credit for prior year minimum tax;

9 (6) Mortgage interest credit;

10 (7) Empowerment zone employment credit;

11 (8) Qualified electric vehicle credit.

12 (L) Credit against tax for adoption. For tax years beginning on or after January 1, 2006, a
13 taxpayer entitled to the federal adoption credit shall be entitled to a credit against the Rhode Island
14 tax imposed under this section if the adopted child was under the care, custody, or supervision of
15 the Rhode Island department of children, youth and families prior to the adoption.

16 (M) The credit shall be twenty-five percent (25%) of the aforementioned federal credits
17 provided there shall be no deduction based on any federal credits enacted after January 1, 1996,
18 including the rate reduction credit provided by the federal Economic Growth and Tax
19 Reconciliation Act of 2001 (EGTRRA). In no event shall the tax imposed under this section be
20 reduced to less than zero. A taxpayer required to recapture any of the above credits for federal tax
21 purposes shall determine the Rhode Island amount to be recaptured in the same manner as
22 prescribed in this subsection.

23 (N) Rhode Island earned-income credit .

24 (1) In general.

25 For tax years beginning before January 1, 2015, a taxpayer entitled to a federal earned-
26 income credit shall be allowed a Rhode Island earned-income credit equal to twenty-five percent
27 (25%) of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode
28 Island income tax.

29 For tax years beginning on or after January 1, 2015, and before January 1, 2016, a taxpayer
30 entitled to a federal earned-income credit shall be allowed a Rhode Island earned-income credit
31 equal to ten percent (10%) of the federal earned-income credit. Such credit shall not exceed the
32 amount of the Rhode Island income tax.

33 For tax years beginning on or after January 1, 2016, a taxpayer entitled to a federal earned-
34 income credit shall be allowed a Rhode Island earned-income credit equal to twelve and one-half

1 percent (12.5%) of the federal earned-income credit. Such credit shall not exceed the amount of the
2 Rhode Island income tax.

3 For tax years beginning on or after January 1, 2017, a taxpayer entitled to a federal earned-
4 income credit shall be allowed a Rhode Island earned-income credit equal to fifteen percent (15%)
5 of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode Island
6 income tax.

7 (2) Refundable portion.

8 In the event the Rhode Island earned-income credit allowed under paragraph (N)(1) of this
9 section exceeds the amount of Rhode Island income tax, a refundable earned-income credit shall
10 be allowed as follows.

11 (i) For tax years beginning before January 1, 2015, for purposes of paragraph (2) refundable
12 earned-income credit means fifteen percent (15%) of the amount by which the Rhode Island earned-
13 income credit exceeds the Rhode Island income tax.

14 (ii) For tax years beginning on or after January 1, 2015, for purposes of paragraph (2)
15 refundable earned-income credit means one hundred percent (100%) of the amount by which the
16 Rhode Island earned-income credit exceeds the Rhode Island income tax.

17 (O) The tax administrator shall recalculate and submit necessary revisions to paragraphs
18 (A) through (J) to the general assembly no later than February 1, 2010 and every three (3) years
19 thereafter for inclusion in the statute.

20 (3) For the period January 1, 2011 through December 31, 2011, and thereafter, "Rhode
21 Island taxable income" means federal adjusted gross income as determined under the Internal
22 Revenue Code, 26 U.S.C. 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-
23 30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to subparagraph
24 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant to subparagraph
25 44-30-2.6(c)(3)(C).

26 (A) Tax imposed.

27 (I) There is hereby imposed on the taxable income of married individuals filing joint
28 returns, qualifying widow(er), every head of household, unmarried individuals, married individuals
29 filing separate returns and bankruptcy estates, a tax determined in accordance with the following
30 table:

RI Taxable Income		RI Income Tax	
Over	But not over	Pay +% on Excess	on the amount over
\$0 -	\$ 55,000	\$ 0 + 3.75%	\$0
55,000 -	125,000	2,063 + 4.75%	55,000

1 125,000 - 5,388 + 5.99% 125,000

2 (II) There is hereby imposed on the taxable income of an estate or trust a tax determined in
3 accordance with the following table:

4 RI Taxable Income		RI Income Tax	
5 Over	But not over	Pay + % on Excess	on the amount over
6 \$0 -	\$ 2,230	\$ 0 + 3.75%	\$0
7 2,230 -	7,022	84 + 4.75%	2,230
8 7,022 -		312 + 5.99%	7,022

9 (B) Deductions:

10 (I) Rhode Island Basic Standard Deduction. Only the Rhode Island standard deduction
11 shall be allowed in accordance with the following table:

12 Filing status:	Amount
13 Single	\$7,500
14 Married filing jointly or qualifying widow(er)	\$15,000
15 Married filing separately	\$7,500
16 Head of Household	\$11,250

17 (II) Nonresident alien individuals, estates and trusts are not eligible for standard
18 deductions.

19 (III) In the case of any taxpayer whose adjusted gross income, as modified for Rhode Island
20 purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-five thousand
21 dollars (\$175,000), the standard deduction amount shall be reduced by the applicable percentage.
22 The term "applicable percentage" means twenty (20) percentage points for each five thousand
23 dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable
24 year exceeds one hundred seventy-five thousand dollars (\$175,000).

25 (C) Exemption Amount:

26 (I) The term "exemption amount" means three thousand five hundred dollars (\$3,500)
27 multiplied by the number of exemptions allowed for the taxable year for federal income tax
28 purposes.

29 (II) Exemption amount disallowed in case of certain dependents. In the case of an
30 individual with respect to whom a deduction under this section is allowable to another taxpayer for
31 the same taxable year, the exemption amount applicable to such individual for such individual's
32 taxable year shall be zero.

33 (D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode Island
34 purposes pursuant to § 33-30-12, for the taxable year exceeds one hundred seventy-five thousand

1 dollars (\$175,000), the exemption amount shall be reduced by the applicable percentage. The term
2 "applicable percentage" means twenty (20) percentage points for each five thousand dollars
3 (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
4 exceeds one hundred seventy-five thousand dollars (\$175,000).

5 (E) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
6 2.6(c)(3)(A), 44-30-2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) shall be increased annually by an amount
7 equal to:

8 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-2.6(c)(3)(B)
9 and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000, multiplied by;

10 (II) The cost-of-living adjustment with a base year of 2000.

11 (III) For the purposes of this section, the cost-of-living adjustment for any calendar year is
12 the percentage (if any) by which the consumer price index for the preceding calendar year exceeds
13 the consumer price index for the base year. The consumer price index for any calendar year is the
14 average of the consumer price index as of the close of the twelve-month (12) period ending on
15 August 31, of such calendar year.

16 (IV) For the purpose of this section the term "consumer price index" means the last
17 consumer price index for all urban consumers published by the department of labor. For the purpose
18 of this section the revision of the consumer price index that is most consistent with the consumer
19 price index for calendar year 1986 shall be used.

20 (V) If any increase determined under this section is not a multiple of fifty dollars (\$50.00),
21 such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a
22 married individual filing separate return, if any increase determined under this section is not a
23 multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple
24 of twenty-five dollars (\$25.00).

25 (F) Credits against tax.

26 (I) Notwithstanding any other provisions of Rhode Island Law, for tax years beginning on
27 or after January 1, 2011, the only credits allowed against a tax imposed under this chapter shall be
28 as follows:

29 (a) Rhode Island earned-income credit: Credit shall be allowed for earned-income credit
30 pursuant to subparagraph 44-30-2.6(c)(2)(N).

31 (b) Property Tax Relief Credit: Credit shall be allowed for property tax relief as provided
32 in § 44-33-1 et seq.

33 (c) Lead Paint Credit: Credit shall be allowed for residential lead abatement income tax
34 credit as provided in § 44-30.3-1 et seq.

1 (d) Credit for income taxes of other states. Credit shall be allowed for income tax paid to
2 other states pursuant to § 44-30-74.

3 (e) Historic Structures Tax Credit: Credit shall be allowed for historic structures tax credit
4 as provided in § 44-33.2-1 et seq.

5 (f) Motion Picture Productions Tax Credit: Credit shall be allowed for motion picture
6 production tax credit as provided in § 44-31.2-1 et seq.

7 (g) Child and Dependent Care: Credit shall be allowed for twenty-five percent (25%) of
8 the federal child and dependent care credit allowable for the taxable year for federal purposes;
9 provided, however, such credit shall not exceed the Rhode Island tax liability.

10 (h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for
11 contributions to scholarship organizations as provided in chapter 62 of title 44.

12 (i) Credit for tax withheld. Wages upon which tax is required to be withheld shall be taxable
13 as if no withholding were required, but any amount of Rhode Island personal income tax actually
14 deducted and withheld in any calendar year shall be deemed to have been paid to the tax
15 administrator on behalf of the person from whom withheld, and the person shall be credited with
16 having paid that amount of tax for the taxable year beginning in that calendar year. For a taxable
17 year of less than twelve (12) months, the credit shall be made under regulations of the tax
18 administrator.

19 (j) Stay Invested in RI Wavemaker Fellowship: Credit shall be allowed for stay invested in
20 RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.

21 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in
22 § 42-64.20-1 et seq.

23 (l) Rhode Island Qualified Jobs Incentive Program: Credit shall be allowed for Rhode
24 Island new qualified jobs incentive program credit as provided in § 44-48.3-1 et seq.

25 (m) Refundable Investment Tax Credit: Credit shall be allowed for investment tax credits
26 as provided in 44-31-1 et seq. and for refundable investment tax credits as provided in 42-64.33-1
27 et seq.

28 (n) Refundable Jobs Training Tax Credit: Credit shall be allowed for jobs training tax
29 credits as provided in 42-64.6-1 et seq. and for refundable jobs training tax credits as provided in
30 42-64.34-1 et seq.

31 (2) Except as provided in section 1 above, no other state and federal tax credit shall be
32 available to the taxpayers in computing tax liability under this chapter.

33 SECTION 6. This article shall take effect as of July 1, 2017.