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ARTICLE 12

RELATING TO ECONOMIC DEVELOPMENT

SECTION 1. Section 42-64.10-6 of the General Laws in Chapter 42-64.10 entitled "Quonset Development Corporation" is hereby amended to read as follows:

42-64.10-6. Additional general powers and duties.

In addition to the powers enumerated in § 42-64.10-5, except to the extent inconsistent with any specific provision of this chapter, the corporation shall have and may exercise additional general powers:

(a) As set forth in § 42-64-7 necessary or convenient to effect its purposes; provided, however, that the corporation shall not have the power to issue bonds or notes or exercise eminent domain;

(b) As a subsidiary of the Rhode Island commerce corporation as provided for in § 42-64-7.1;

(c) As the Rhode Island commerce corporation's true and lawful attorney as agent and attorney-in-fact and in the name, place and stead of the Rhode Island commerce corporation with respect to all property of the Rhode Island commerce corporation at Quonset Business Park (hereinafter referred to as "the Property") and for the purposes hereinafter set forth:

(1) To ask, demand, recover, collect, receive, hold, and possess all sums of money, debts, dues, goods, wares, merchandise, chattels, effects, bonds, notes, checks, drafts, accounts, deposits, safe deposit boxes, interests, dividends, stock certificates, certificates of deposit, insurance benefits and proceeds, documents of title, personal and real property, tangible and intangible property, and property rights, liquidated or unliquidated, that now are, or hereafter, shall be, or become, due, owing, or payable in respect to the property, and upon receipt thereof, or of any part thereof, to make, sign, execute, and deliver such receipts, releases, or other discharges for the same as the corporation shall deem proper.

(2) To lease, purchase, exchange and acquire, and to bargain, contract, and agree for the lease, purchase, exchange, and acquisition of, and to take, receive, possess, and manage any real or personal property related in any way to the property, tangible and intangible, or any interest therein.

(3) To enter into and upon all and each of the real properties constituting a part of, or related in any way, to the property, and to let, manage, and improve the real property or any part thereof,

1 and to repair or otherwise improve or alter, and to insure any buildings or structures thereon.

2 (4) To market and sell, either at public or private sale, or exchange any part or parts of the
3 real or personal properties, including indebtedness or evidence thereof, constituting a part of or
4 related in any way to the property, including sales on credit, and for that purpose to execute and
5 receive all promissory notes, bonds, mortgages, deeds of trust, security agreements, and other
6 instruments that may be necessary or proper, and to bargain, contract, and agree with respect to the
7 sale or exchange of such properties; and to execute and deliver good and sufficient deeds, bills of
8 sale, assignments, or other instruments or endorsements for the conveyance or transfer of the same;
9 and to give receipts for all or any part of the purchase price or other consideration.

10 (5) To sign, endorse, execute, acknowledge, deliver, receive, and possess such applications,
11 contracts, agreements, options, covenants, deeds, conveyances, trust deeds, mortgagees deeds,
12 security agreements, bills of sale, leases, mortgages, assignments, insurance policies, bills of lading,
13 warehouse receipts, documents of title, bills, bonds, debentures, checks, drafts, bills of exchange,
14 notes, stock certificates, proxies, warrants, commercial paper, receipts, withdrawal receipts, and
15 deposit instruments relating to accounts or deposits in, or certificates of deposit of, banks, savings
16 and loan or other institutions or associations, proofs of loss, evidences of debts, releases, and
17 satisfactions of mortgages, judgments, liens, security agreements, and other debts and obligations,
18 and other instruments in writing of whatever kind and nature as be necessary or proper in the
19 exercise of the rights and powers herein granted.

20 (6) To enter into subordination agreements, inter-creditor agreements, reinstatement
21 agreements, "stand still" and "stand-by" agreements, modification agreements, forbearance
22 agreements, and other contracts having the effect of subordinating, modifying, renewing,
23 restructuring or otherwise altering the rights, obligations, or liabilities of the commerce corporation,
24 under or with respect to any indebtedness, property, or other assets constituting or securing any
25 property.

26 (7) To make demands, give notices of default, notices of intention to accelerate, notices of
27 acceleration, or such other notices as the corporation deems necessary or appropriate, and to take
28 other actions and exercise other rights that may be taken under the terms of any loan agreements,
29 security agreements, guaranties, or other documents or agreements evidencing, or otherwise
30 relating to, the property, including foreclosure, lease, sale, taking possession of, realization upon,
31 or any other disposition of any property or any collateral therefor or guarantee thereof.

32 (8) To exercise any powers and any duties vested in the commerce corporation as a partner,
33 joint venturer, participant, or other joint-interest holder with respect to any property, or to concur
34 (or not) with persons jointly interested with the commerce corporation in any property.

1 (9) With respect to the property: (i) To sue on, or otherwise prosecute, any claim or cause
2 of action, or commence or seek any legal, equitable, or administrative or other remedy in any legal,
3 administrative, arbitration, mediation, or other proceeding whatsoever (including, non-judicial
4 repossessions and foreclosures or similar actions to recover collateral); (ii) To defend, or otherwise
5 participate for, or in the name of, the commerce corporation in any legal, administrative, arbitration,
6 mediation, or other proceedings; (iii) To process, determine, or adjudge any claim or cause of action
7 for, or in the name of, the commerce corporation; (iv) To compromise, settle, discharge or resolve,
8 or make, execute, or deliver any endorsements, acquittances, releases, receipts, or other discharges
9 of any claim, cause of action, determination, judgment, or other proceeding for, or in the name of,
10 the commerce corporation; and (v) To prepare, execute, and file ad valorem, franchise and other
11 tax returns, protests and suits against taxing authorities, and to prepare, execute, and file other
12 governmental or quasi-governmental reports, declarations, applications, requests and documents in
13 connection with any property, and to pay taxes in connection with the property as the corporation
14 deems necessary or appropriate, or as otherwise required by law.

15 (10) Any third party shall be entitled to rely on a writing signed by the corporation to
16 conclusively establish the identity of a particular Property as property for all purposes hereof.

17 (d) To own, hold, improve, operate, manage, and regulate utilities at the Quonset Business
18 Park and to establish rates, fees, and charges, to adopt regulations, and to impose penalties for any
19 services or utilities it provides, or causes to have available, and to have functions and exercise
20 powers as necessary and appropriate under the provisions of §§ 42-64-4, 42-64-7.4, 42-64-7.8, 42-
21 64-7.9 and 42-64-9.1 -- 42-64-9.10, inclusive.

22 (e) To enter into agreements with any city, town, district, or public corporation with regard
23 to application and/or administration of zoning or other land use ordinances, codes, plans, or
24 regulations, and cities, towns, districts, and public corporations are hereby authorized and
25 empowered, notwithstanding any other law to the contrary, to enter into such agreements with the
26 corporation and to do all things necessary to carry out their obligations under such agreements; in
27 the absence of any such agreement the corporation shall act in accordance with the provisions of §
28 42-64-13.

29 (f) To enter into agreements, including with any state agency, city, town, district, or public
30 corporation, for the provision of police, security, fire, sanitation, health protection, and other public
31 services.

32 (g) To be exempt from taxation and to enter into agreements for payments in lieu of taxes
33 as provided for in § 42-64-20.

34 (h) To establish a stormwater management and conveyance system and regulate

1 connections, user fees, charges and assessments in connection therewith. In particular, the
2 corporation shall have full and complete power and authority to:

3 (1) Limit, deny, or cause appropriate direct or indirect connections to be made between any
4 building or property located in the Quonset Business Park, or from any location outside the
5 boundaries of the Quonset Business Park and discharging into the corporation's stormwater
6 management and conveyance systems. The corporation may prescribe those rules and regulations
7 for stormwater runoff, that in the opinion of the corporation, are necessary and appropriate for the
8 maintenance and operation of the stormwater management and conveyance systems, and may
9 establish, from time to time, rules and regulations relating to stormwater management in the
10 Quonset Business Park. Any person or entity having an existing connection to the stormwater
11 management and conveyance systems or currently discharging into such systems, will obtain a
12 permit from the corporation in accordance with its rules and regulations. No person or entity shall,
13 without first being granted a written permit from the corporation in accordance with its rules and
14 regulations, make any future connection or permit any runoff from any structure or property to any
15 stormwater management and conveyance systems, or any appurtenance thereto, without first being
16 granted a written permit from the corporation in accordance with its rules and regulations.

17 (2) Compel any person or entity within the Quonset Business Park, for the purpose of
18 stormwater runoff, to establish a direct connection on the property of the person or entity, or at the
19 boundary thereof, to the corporation's stormwater management and conveyance systems. These
20 connections shall be made at the expense of such person or entity. The term "appurtenance" as used
21 herein shall be construed to include adequate pumping facilities, whenever the pumping facilities
22 shall be necessary to deliver the stormwater runoff to the stormwater management and conveyance
23 systems.

24 (3) Assess any person or entity having a direct or indirect connection (including, without
25 limitation, via runoff) to the Quonset Business Park stormwater management and conveyance
26 systems the reasonable charges for the use, operation, maintenance, and improvements to the
27 systems. The corporation shall also be entitled, in addition to any other remedies available, to assess
28 fines for violations of the rules and regulations established by the corporation with respect to
29 stormwater management.

30 (4) Collect the fees, charges, and assessments from any person or entity so assessed. Each
31 person or entity so assessed shall pay the fees, charges, or assessments within the time frame
32 prescribed by the rules and regulations of the corporation. The corporation may collect the fees,
33 charges, and assessments in the same manner in which taxes are collected by municipalities, with
34 no additional fees, charges, assessments, or penalties (other than those provided for in chapter 9 of

1 title 44). All unpaid charges shall be a lien upon the real estate of the person or entity. The lien shall
2 be filed in the records of land evidence for the city or town in which the property is located and the
3 corporation shall simultaneously, with the filing of the lien, give notice to the property owner.
4 Owners of property subject to a lien for unpaid charges are entitled to a hearing within fourteen
5 (14) days of the recording of the lien.

6 (5) Notwithstanding the provisions of subsection (h)(4) of this section, the corporation is
7 authorized to terminate the water supply service or prohibit the use of the corporation's stormwater
8 management and conveyance systems of any person or entity for the nonpayment of storm water
9 management user fees, charges, and assessments. The corporation shall notify the user of
10 termination of water supply or use of the stormwater management and conveyance systems at least
11 forty-eight (48) hours prior to ceasing service. The corporation may assess any person or entity any
12 fees, charges, and assessments affiliated with the shut off and restoration of service.

13 (6) Without in any way limiting the foregoing powers and authority, the corporation is also
14 hereby empowered to: (i) Establish a fee system and raise funds for administration and operation
15 of the stormwater management and conveyance systems; (ii) Prepare long-range, stormwater
16 management master plans; (iii) Implement a stormwater management district; (iv) Retrofit existing
17 structures to improve water quality or alleviate downstream flooding or erosion; (v) Properly
18 maintain existing stormwater management and conveyance systems; (vi) Hire personnel to carry
19 out the functions of the stormwater management and conveyance systems; (vii) Receive grants,
20 loans, or funding from state and federal water-quality programs; (viii) Grant credits to property
21 owners who maintain retention and detention basins or other filtration structures on their property;
22 (ix) Make grants for implementation of stormwater management plans; (x) Purchase, acquire, sell,
23 transfer, or lease real or personal property; (xi) Impose liens; (xii) Levy fines and sanctions for
24 noncompliance; (xiii) Provide for an appeals process; and (xiv) Contract for services in order to
25 carry out the function of the stormwater management and conveyance systems.

26 (i) To purchase and obtain water supply and water service from any city, town, water
27 district, or other water supply authority. In particular, the corporation is authorized to:

28 (1) Enter into agreements or contracts with any city, town, county, water district, or other
29 water supply authority to purchase, acquire, and receive water supply and water service.

30 (2) Enter into cooperative agreements with cities, towns, counties, water districts, or other
31 water supply authorities for the interconnection of facilities or for any other lawful corporate
32 purposes necessary or desirable to effect the purposes of this chapter.

33 (3) Connect the water supply system at Quonset Business Park with any city, town, county,
34 water district, or other water supply authority that receives or has a connection with the city of

1 Providence and/or the Providence Water Supply Board (or any successor thereof) and purchase,
2 connect to, receive, and enter into agreements to receive water supply from any city, town, county,
3 water district, or other water supply authority regardless of the origin of such water supply. The
4 city of Providence and the Providence Water Supply Board (and any successor thereof) are
5 authorized and directed to supply water to the Quonset Business Park either directly or via
6 connections between the Quonset Development Corporation and any city, town, county, water
7 district, or other water supply authority, notwithstanding any terms to the contrary in any
8 agreement, including, without limitation, any agreement between any city, town, county, water
9 district, or other water supply authority and the city of Providence and/or the Providence Water
10 Supply Board (or its or their predecessors), or the provisions of chapter 16 of title 39. In addition,
11 the provisions of § 18 of chapter 1278 of the public laws of Rhode Island of 1915 as amended, and
12 any other public law that would conflict with the terms hereof, are hereby amended to authorize
13 the provision of water supply by the city of Providence and the Providence Water Supply Board
14 (or any successor thereof) to the Quonset Business Park and to authorize any additional connections
15 in accordance herewith. There shall be no requirement that the corporation demonstrate public
16 necessity before entering into such agreements, connecting to such water supplies, or receiving
17 such water as described in this subsection, but the corporation shall be subject to the other
18 applicable provisions of chapter 15 of title 46.

19 (d) The corporation shall have and may exercise all powers set forth in general laws § 42-
20 64.33-6, § 42-64.33-7 and § 42-64.33-9 in the place and stead of the state and local partnership
21 council but only to the extent the state and local partnership council has not exercised jurisdiction
22 with respect to the subject matter or project over which the corporation intends to act, and upon the
23 exercise of such powers in relation to a municipality or a project therein, notice of which shall be
24 provided to the state and local partnership council of the exercise of jurisdiction by the corporation.
25 The corporation shall have exclusive jurisdiction and authority of the subject matter thereof to the
26 exclusion of the state and local partnership council, unless otherwise agreed to in writing by the
27 corporation.

28 SECTION 2. Section 42-64.10-7 of the General Laws in Chapter 42-64.10 entitled
29 "Quonset Development Corporation" is hereby amended to read as follows:

30 **42-64.10-7. Directors, officers and employees.**

31 (a) Directors.

32 (1) Except in the exercise of the powers conferred under § 42-64.10-6(d), ~~T~~the powers of
33 the corporation shall be vested in a board of directors consisting of eleven (11) members. The
34 membership of the board shall consist of the executive director of the Rhode Island economic

1 development corporation as chairperson, (who shall vote only in the event of a tie), six (6) members
2 appointed by the governor, with the advice and consent of the senate, two (2) members appointed
3 by the town council of the town of North Kingstown, one member appointed by the town council
4 of the town of Jamestown, and one member appointed by the town council of the town of East
5 Greenwich. The initial members of the board shall be divided into three (3) classes and shall serve
6 initial terms on the board of directors as follows: two (2) of the directors appointed by the governor;
7 one of the directors appointed by the town council of the town of North Kingstown shall be
8 appointed for an initial term of one year; two (2) of the directors appointed by the governor, one
9 director appointed by the town council of the town of North Kingstown and the director appointed
10 by the town of East Greenwich shall be appointed for an initial term of two (2) years; and two (2)
11 of the directors appointed by the governor and one director appointed by the town of Jamestown
12 shall be appointed for an initial term of three (3) years. Upon expiration of each initial term and
13 upon the expiration of each term thereafter, a successor shall be appointed by the same authority
14 that made the initial appointment, and in the case of appointments by the governor with the advice
15 and consent of the senate, to serve for a term of three (3) years so that members of the board of
16 directors shall serve for staggered terms of three (3) years each. A vacancy on the board, other than
17 by expiration, shall be filled in the same manner as an original appointment, but only for the
18 unexpired portion of the term. If a vacancy occurs with respect to one of the directors appointed by
19 the governor when the senate is not in session, the governor shall appoint a person to fill the
20 vacancy, but only until the senate shall next convene and give its advice and consent to a new
21 appointment. A member shall be eligible to succeed himself or herself. Appointed directors shall
22 not serve more than two (2) successive three (3) year terms but may be reappointed after not being
23 a director for a period of at least twelve (12) months. Each appointed director shall hold office for
24 the term for which the director is appointed and until the director's successor shall have been
25 appointed and qualified, or until the director's earlier death, resignation or removal. Except for
26 members of the town council of the town of North Kingstown, who may serve as members of the
27 board of directors, no director shall be an elected official of any governmental entity. In the exercise
28 of the powers conferred under § 42-64.10-6(d) and only with respect to actions taken consistent
29 with the program established under chapter 64.33 of title 42, which actions may not involve land
30 in the Quonset Business Park, the powers of the corporation shall be vested in a board of directors
31 consisting of seven (7) members, including the chairperson, who shall be the secretary of commerce
32 and vote only in the event of a tie, and six members to be appointed by the governor with the advice
33 and consent of the senate, provided that the number of board members shall be increased in
34 instances where a project is situated in one or more municipalities. Such powers conferred under §

1 [42-64.10-6\(d\) may only be exercised in connection with carrying out the program established under](#)
2 [chapter 64.33 of title 42. In the exercise of the powers conferred under § 42-64.10-6\(d\), the board](#)
3 [shall add, and the total number of directors shall be increased by \(i\) two \(2\) new members appointed](#)
4 [by the governing body of the municipality in which the project is located when a project is located](#)
5 [in a single municipality or \(ii\) new members appointed by the governing body of each municipality](#)
6 [in which the project is located when a project is located in more than one municipality, with each](#)
7 [municipality appointing one member to the board.](#)

8 SECTION 3. Section 42-64.20-3 of the General Laws in Chapter 42-64.20 entitled
9 "Rebuild Rhode Island Tax Credit Act" is hereby amended to read as follows:

10 **42-64.20-3. Definitions.**

11 (1) "Adaptive reuse" means the conversion of an existing structure from the use for which
12 it was constructed to a new use by maintaining elements of the structure and adapting such elements
13 to a new use.

14 (2) "Affiliate" means an entity that directly or indirectly controls, is under common control
15 with, or is controlled by the business. Control exists in all cases in which the entity is a member of
16 a controlled group of corporations as defined pursuant to § 1563 of the Internal Revenue Code of
17 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of organizations under common
18 control as defined pursuant to subsection (b) or (c) of § 414 of the Internal Revenue Code of 1986
19 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by
20 the tax administrator, that control exists in situations involving lesser percentages of ownership
21 than required by those statutes. An affiliate of a business may contribute to meeting either the
22 capital investment or full-time employee requirements of a business that applies for a credit under
23 this chapter.

24 (3) "Affordable housing" means housing for sale or rent with combined rental costs or
25 combined mortgage loan debt service, property taxes, and required insurance that do not exceed
26 thirty percent (30%) of the gross annual income of a household earning up to eighty percent (80%)
27 of the area median income, as defined annually by the United States Department of Housing and
28 Urban Development.

29 (4) "Applicant" means a developer applying for a rebuild Rhode Island tax credit under this
30 chapter.

31 (5) "Business" means a corporation as defined in § 44-11-1(4), or a partnership, an S
32 corporation, a non-profit corporation, a sole proprietorship, or a limited liability corporation. A
33 business shall include an affiliate of the business if that business applies for a credit based upon
34 any capital investment made by an affiliate.

1 (6) "Capital investment" in a real estate project means expenses by a developer incurred
2 after application for:

3 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
4 furnishing on real property or of a building, structure, facility, or improvement to real property;

5 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment, including
6 but not limited to material goods for the operation of a business on real property or in a building,
7 structure, facility, or improvement to real property.

8 In addition to the foregoing, if a developer acquires or leases a qualified development
9 project, the capital investment made or acquired by the seller or owner, as the case may be, if
10 pertaining primarily to the premises of the qualified development project, shall be considered a
11 capital investment by the developer and, if pertaining generally to the qualified development project
12 being acquired or leased, shall be allocated to the premises of the qualified development project on
13 the basis of the gross leasable area of the premises in relation to the total gross leasable area in the
14 qualified development project. The capital investment described herein shall be defined through
15 rules and regulations promulgated by the commerce corporation.

16 (7) "Certified historic structure" means a property which is located in the state of Rhode
17 Island and is

18 (i) Listed individually on the national register of historic places; or

19 (ii) Listed individually in the state register of historic places; or

20 (iii) Located in a registered historic district and certified by either the Rhode Island
21 historical preservation and heritage commission created pursuant to § 42-45-2 or the Secretary of
22 the Interior as being of historic significance to the district.

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

25 (9) "Commercial" shall mean non-residential development.

26 (10) "Developer" means a person, firm, business, partnership, association, political
27 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
28 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land
29 or existing structures, which division, building, or improvement qualifies for benefits under this
30 chapter.

31 (11) "Development" means the improvement of land through the carrying out of building,
32 engineering, or other operations in, on, over, or under land, or the making of any material change
33 in the use of any buildings or land for the purposes of accommodating land uses.

34 (12) "Eligibility period" means the period in which a developer may claim a tax credit

1 under this act, beginning with the tax period in which the commerce corporation accepts
2 certification from the developer that it has met the requirements of the act and extending thereafter
3 for a term of five (5) years.

4 (13) "Full-time employee" means a person who is employed by a business for consideration
5 for a minimum of at least thirty-five (35) hours per week, or who renders any other standard of
6 service generally accepted by custom or practice as full-time employment, or who is employed by
7 a professional employer organization pursuant to an employee leasing agreement between the
8 business and the professional employer organization for a minimum of thirty-five (35) hours per
9 week, or who renders any other standard of service generally accepted by custom or practice as
10 full-time employment, and whose wages are subject to withholding.

11 (14) "Hope community" means a municipality for which the five-year (5) average
12 percentage of families with income below the federal poverty level exceeds the state five-year (5)
13 average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau
14 of the Census.

15 (15) "Manufacturer" shall mean any entity that:

16 (a) Uses any premises within the state primarily for the purpose of transforming raw
17 materials into a finished product for trade through any or all of the following operations: adapting,
18 altering, finishing, making, processing, refining, metalworking, and ornamenting, but shall not
19 include fabricating processes incidental to warehousing or distribution of raw materials, such as
20 alteration of stock for the convenience of a customer; or

21 (b) Is described in codes 31-33 of the North American Industry Classification System, as
22 revised from time to time.

23 (16) "Mixed use" means a development comprising both commercial and residential
24 components.

25 (17) "Partnership" means an entity classified as a partnership for federal income tax
26 purposes.

27 (18) "Placed in service" means the earlier of i) substantial construction or rehabilitation
28 work has been completed which would allow for occupancy of an entire structure or some
29 identifiable portion of a structure, as established in the application approved by the commerce
30 corporation board or ii) receipt by the developer of a certificate, permit or other authorization
31 allowing for occupancy of the project or some identifiable portion of the project by the municipal
32 authority having jurisdiction.

33 (19) "Project" means qualified development project as defined under subsection (22).

34 (20) "Project area" means land or lands under common ownership or control in which a

1 qualified development project is located.

2 (219) "Project cost" means the costs incurred in connection with the qualified development
3 project or qualified residential or mixed use project by the applicant until the issuance of a
4 permanent certificate of occupancy, or until such other time specified by the commerce corporation,
5 for a specific investment or improvement, as defined through rules and regulations promulgated by
6 the commerce corporation.

7 (224) "Project financing gap" means

8 (i) The part of the total project cost that remains to be financed after all other sources of
9 capital have been accounted for (such sources will include, but not be limited to, developer-
10 contributed capital), which shall be defined through rules and regulations promulgated by the
11 commerce corporation, or

12 (ii) The amount of funds that the state may invest in a project to gain a competitive
13 advantage over a viable and comparable location in another state by means described in this chapter.

14 (232) "Qualified development project" means a specific construction project or
15 improvement, including lands, buildings, improvements, real and personal property or any interest
16 therein, including lands under water, riparian rights, space rights and air rights, acquired, owned,
17 leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved,
18 undertaken by a developer, owner or tenant, or both, within a specific geographic area, meeting the
19 requirements of this chapter, as set forth in an application made to the commerce corporation.

20 (243) "Recognized historical structure" means a property which is located in the state of
21 Rhode Island and is commonly considered to be of historic or cultural significance as determined
22 by the commerce corporation in consultation with the state historic preservation officer.

23 (25) "Residential" means a development of residential dwelling units.

24 (265) "Targeted industry" means any advanced, promising, or otherwise prioritized
25 industry identified in the economic development vision and policy promulgated pursuant to § 42-
26 64.17-1 or, until such time as any such economic development vision and policy is promulgated,
27 as identified by the commerce corporation.

28 (276) "Transit oriented development area" means an area in proximity to transit
29 infrastructure that will be further defined by regulation of the commerce corporation in consultation
30 with the Rhode Island department of transportation.

31 (287) "Workforce housing" means housing for sale or rent with combined rental costs or
32 combined mortgage loan debt service, property taxes, and required insurance that do not exceed
33 thirty percent (30%) of the gross annual income of a household earning between eighty percent
34 (80%) and one hundred and forty percent (140%) of the area median income, as defined annually

1 by the United States Department of Housing and Urban Development.

2 SECTION 4. Section 42-64.20-5 of the General Laws in Chapter 42-64.20 entitled
3 "Rebuild Rhode Island Tax Credit" is hereby amended to read as follows:

4 **42-64.20-5. Tax credits.**

5 (a) An applicant meeting the requirements of this chapter may be allowed a credit as set
6 forth hereinafter against taxes imposed upon such person under applicable provisions of title 44 of
7 the general laws for a qualified development project.

8 (b) To be eligible as a qualified development project entitled to tax credits, an applicant's
9 chief executive officer or equivalent officer shall demonstrate to the commerce corporation, at the
10 time of application, that:

11 (1) The applicant has committed capital investment or owner equity of not less than twenty
12 percent (20%) of the total project cost;

13 (2) There is a project financing gap in which after taking into account all available private
14 and public funding sources, the project is not likely to be accomplished by private enterprise
15 without the tax credits described in this chapter; and

16 (3) The project fulfills the state's policy and planning objectives and priorities in that:

17 (i) The applicant will, at the discretion of the commerce corporation, obtain a tax
18 stabilization agreement from the municipality in which the real estate project is located on such
19 terms as the commerce corporation deems acceptable;

20 (ii) It (A) is a commercial development consisting of at least 25,000 square feet occupied
21 by at least one business employing at least 25 full-time employees after construction or such
22 additional full-time employees as the commerce corporation may determine; (B) is a multi-family
23 residential development in a new, adaptive reuse, certified historic structure, or recognized
24 historical structure consisting of at least 20,000 square feet and having at least 20 residential units
25 in a hope community; or (C) is a mixed-use development in a new, adaptive reuse, certified historic
26 structure, or recognized historical structure consisting of at least 25,000 square feet occupied by at
27 least one business, subject to further definition through rules and regulations promulgated by the
28 commerce corporation; and

29 (iii) Involves a total project cost of not less than \$5,000,000, except for a qualified
30 development project located in a hope community or redevelopment area designated under § 45-
31 32-4 in which event the commerce corporation shall have the discretion to modify the minimum
32 project cost requirement.

33 [\(c\) The commerce corporation shall develop separate, streamlined application processes](#)
34 [for the issuance of Rebuild RI tax credits for each of the following:](#)

- 1 [\(1\) Qualified development projects that involve certified historic structures;](#)
2 [\(2\) Qualified development projects that involve recognized historical structures;](#)
3 [\(3\) Qualified development projects that involved at least one manufacturer; and](#)
4 [\(4\) Qualified development projects that include affordable housing or workforce housing.](#)
5 [\(d\) Applications made for a historic structure or recognized historic structure tax credit](#)
6 [under chapter 33.6 of title 44 shall be considered for tax credits under this chapter. The division of](#)
7 [taxation, at the expense of the commerce corporation, shall provide communications from the](#)
8 [commerce corporation to those who have applied for and are in the queue awaiting the offer of tax](#)
9 [credits pursuant to chapter 33.6 of title 44 regarding their potential eligibility for the Rebuild RI](#)
10 [Tax Credit program.](#)

11 [\(e\)](#) Applicants [\(i\)](#) who have received the notice referenced in subsection (d) above and who
12 may be eligible for a tax credit pursuant to chapter 33.6 of title 44, [\(ii\) whose application involves](#)
13 [a certified historic structure or recognized historical structure, or \(iii\) whose project is occupied by](#)
14 [at least one manufacturer](#) shall be exempt from the requirements of subparagraphs (b)(3)(ii) and
15 (b)(3)(iii) of this section. The following procedure shall apply to such applicants:

16 (1) The division of taxation shall remain responsible for determining the eligibility of an
17 applicant for tax credits awarded under chapter 33.6 of title 44;

18 (2) The commerce corporation shall retain sole authority for determining the eligibility of
19 an applicant for tax credits awarded under this chapter; and

20 (3) The commerce corporation shall not award in excess of fifteen percent (15%) of the
21 annual amount ~~appropriated~~ [authorized](#) in any fiscal year to applicants seeking tax credits pursuant
22 to [this](#) subsection ~~(e)~~.

23 ~~(d)~~ Maximum project credit.

24 (i) For qualified development projects, the maximum tax credit allowed under this chapter
25 shall be the lesser of (1) thirty percent (30%) of the total project cost; or (2) the amount needed to
26 close a project financing gap (after taking into account all other private and public funding sources
27 available to the project), as determined by the commerce corporation.

28 (ii) The credit allowed pursuant to this chapter shall not exceed fifteen million dollars
29 (\$15,000,000) for any qualified development project under this chapter. No building or qualified
30 development project to be completed in phases or in multiple projects shall exceed the maximum
31 project credit of fifteen million dollars (\$15,000,000) for all phases or projects involved in the
32 rehabilitation of such building. Provided, however, that for purposes of this subsection and no more
33 than once in a given fiscal year, the commerce corporation may consider the development of land
34 and buildings by a developer on the "I-195 land" (as defined in § 42-64.24-3(6) of the general laws)

1 as a separate, qualified development project from a qualified development project by a tenant or
2 owner of a commercial condominium or similar legal interest including leasehold improvement, fit
3 out, and capital investment. Such qualified development project by a tenant or owner of a
4 commercial condominium or similar legal interest on the I-195 land may be exempted from
5 subparagraph (f)(i)(1). Separate buildings on the I-195 land may be considered to be separate
6 qualified development projects when determining eligibility under this chapter.

7 (eg) Credits available under this chapter shall not exceed twenty percent (20%) of the
8 project cost, provided, however, that the applicant shall be eligible for additional tax credits of not
9 more than ten percent (10%) of the project cost, if the qualified development project meets any of
10 the following criteria or other additional criteria determined by the commerce corporation from
11 time to time in response to evolving economic or market conditions:

12 (1) The project includes adaptive reuse or development of a recognized historical structure;

13 (2) The project is undertaken by or for a targeted industry;

14 (3) The project is located in a transit-oriented development area;

15 (4) The project includes residential development of which at least twenty percent (20%) of
16 the residential units are designated as affordable housing or workforce housing;

17 (5) The project includes the adaptive reuse of property subject to the requirements of the
18 industrial property remediation and reuse act, § 23-19.14-1 et seq.; or

19 (6) The project includes commercial facilities constructed in accordance with the minimum
20 environmental and sustainability standards, as certified by the commerce corporation pursuant to
21 Leadership in Energy and Environmental Design or other equivalent standards.

22 (fh) Maximum aggregate credits. The aggregate sum authorized pursuant to this chapter
23 shall not exceed ~~one~~ two hundred and fifty million dollars (~~\$150~~250,000,000), and the commerce
24 corporation shall promulgate guidelines regarding the amounts to be authorized for certified
25 historic structures, recognized historical structures, and residential projects.

26 (gi) Tax credits shall not be allowed under this chapter prior to the taxable year in which
27 the project is placed in service.

28 (hi) The amount of a tax credit allowed under this chapter shall be allowable to the taxpayer
29 in up to five, annual increments; no more than thirty percent (30%) and no less than fifteen percent
30 (15%) of the total credits allowed to a taxpayer under this chapter may be allowable for any taxable
31 year.

32 (ik) If the portion of the tax credit allowed under this chapter exceeds the taxpayer's total
33 tax liability for the year in which the relevant portion of the credit is allowed, the amount that
34 exceeds the taxpayer's tax liability may be carried forward for credit against the taxes imposed for

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

7 (f) The commerce corporation in consultation with the division of taxation shall establish,
8 by regulation, the process for the assignment, transfer, or conveyance of tax credits.

9 (m) For purposes of this chapter, any assignment or sales proceeds received by the
10 taxpayer for its assignment or sale of the tax credits allowed pursuant to this section shall be exempt
11 from taxation under title 44. If a tax credit is subsequently revoked or adjusted, the seller's tax
12 calculation for the year of revocation or adjustment shall be increased by the total amount of the
13 sales proceeds, without proration, as a modification under chapter 30 of title 44. In the event that
14 the seller is not a natural person, the seller's tax calculation under chapters 11, 13, 14, or 17 of title
15 44 of the general laws, as applicable, for the year of revocation, or adjustment, shall be increased
16 by including the total amount of the sales proceeds without proration.

17 (h) The tax credit allowed under this chapter may be used as a credit against corporate
18 income taxes imposed under chapters 11, 13, 14, or 17, of title 44, or may be used as a credit against
19 personal income taxes imposed under chapter 30 of title 44 for owners of pass-through entities such
20 as a partnership, a limited liability company taxed as a partnership, or multiple owners of property.

21 (o) In the case of a corporation, this credit is only allowed against the tax of a corporation
22 included in a consolidated return that qualifies for the credit and not against the tax of other
23 corporations that may join in the filing of a consolidated tax return.

24 (p) Upon request of a taxpayer and subject to annual appropriation, the state shall redeem
25 such credit, in whole or in part, for ninety percent (90%) of the value of the tax credit. The division
26 of taxation, in consultation with the commerce corporation, shall establish by regulation a
27 redemption process for tax credits.

28 (q) Projects eligible to receive a tax credit under this chapter may, at the discretion of the
29 commerce corporation, be exempt from sales and use taxes imposed on the purchase of the
30 following classes of personal property only to the extent utilized directly and exclusively in such
31 project: (1) Furniture, fixtures and equipment, except automobiles, trucks, or other motor vehicles;
32 or (2) Such other materials, including construction materials and supplies, that are depreciable and
33 have a useful life of one year or more and are essential to the project.

34 (r) The commerce corporation shall promulgate rules and regulations for the

1 administration and certification of additional tax credit under subsection (e), including criteria for
2 the eligibility, evaluation, prioritization, and approval of projects that qualify for such additional
3 tax credit.

4 ~~(qs)~~ The commerce corporation shall not have any obligation to make any award or grant
5 any benefits under this chapter.

6 SECTION 5. Section 42-64.20-7 of the General Laws in Chapter 42-64.20 entitled
7 "Rebuild Rhode Island Tax Credit Act" is hereby amended to read as follows:

8 **42-64.20-7. Rebuild Rhode Island tax credit fund.**

9 (a) There is hereby established at the commerce corporation a restricted account known as
10 the rebuild Rhode Island tax-credit fund (the "~~Fund~~fund") in which all amounts appropriated for
11 the program created under this chapter shall be deposited. The fund shall be used ~~(+)~~ to pay for the
12 redemption of tax credits or reimbursement to the state for tax credits applied against a taxpayer's
13 liability. The commerce corporation may pledge and reserve amounts deposited into the fund for
14 the purpose of securing payment for the redemption of tax credits or for making reimbursements to
15 municipalities pursuant to chapter 64.22 of title 42 of the general laws. The fund shall be exempt
16 from attachment, levy, or any other process at law or in equity. The director of the department of
17 revenue shall make a requisition to the commerce corporation for funding during any fiscal year as
18 may be necessary to pay for the redemption of tax credits presented for redemption or to reimburse
19 the state for tax credits applied against a taxpayer's tax liability. The commerce corporation shall
20 pay from the fund such amounts as requested by the director of the department of revenue necessary
21 for redemption or reimbursement in relation to tax credits granted under this chapter; provided,
22 however, that the commerce corporation shall not be required to pay from the fund such sums
23 pledged and reserved by the commerce corporation, as permitted in this section, except for
24 redemption of tax credits.

25 (b) Notwithstanding anything in this chapter to the contrary, the commerce corporation
26 may make a loan or equity investment as an alternative incentive in lieu of the provision of tax
27 credits so long as the applicant otherwise qualifies for tax credits under this chapter. In addition to
28 the qualification requirements of this chapter, any loan or equity investment shall be subject to the
29 provisions of §§ 42-64.20-5(b), ~~(d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), and (s), and (q)~~, 42-64.20-
30 7, 42-64.20-8, 42-64.20-9, and 42-64.20-10 as if such loan or equity investment were a tax credit.
31 The commerce corporation may pay, reserve, and/or pledge monies for a loan or equity investment
32 from the fund.

33 [\(c\) The commerce corporation may provide appropriate technical assistance to an applicant](#)
34 [for tax credits for projects under this chapter, including projects involving historic structures and](#)

1 [recognized historical structures to enable the applicant to provide all information and data necessary](#)
2 [for the consideration of its application by the commerce corporation. The cost of technical](#)
3 [assistance provided to applicants can be paid from the fund in an amount not to exceed \\$250,000](#)
4 [per year.](#)

5 SECTION 6. Section 42-64.20-10 of the General Laws in Chapter 42-64.20 entitled
6 “Rebuild Rhode Island Tax Credit Act” is hereby amended to read as follows:

7 **42-64.20-10. Sunset**

8 No credits shall be authorized to be reserved pursuant to this chapter after ~~June 30,~~
9 ~~2020.~~[December 31, 2023.](#)

10 SECTION 7. Section 42-64.21-5 of the General Laws in Chapter 42-64.21 entitled "Rhode
11 Island Tax Increment Financing" is hereby amended to read as follows:

12 **42-64.21-5. Financing.**

13 (a) Up to the limits established in subsection (b) of this section and in accordance with a
14 TIF agreement, the division of taxation shall pay to the developer incremental state revenues
15 directly realized from projects or businesses operating in the qualifying TIF area from the taxes
16 assessed and collected under chapters 11, 13, 14, 17, 18, 19, and 30 of Title 44 of the general laws
17 or realized from such venue ticket sales or parking taxes as may be established and levied under
18 state law.

19 (b) Up to 75 percent of the projected annual incremental revenues may be allocated under
20 a TIF agreement. The incremental revenue for the revenues listed in subsection (a) of this section
21 shall be calculated as the difference between the amount collected in any fiscal year from any
22 eligible revenue source included in the TIF agreement, less the revenue increment base for that
23 eligible revenue.

24 (c) The division of taxation is hereby authorized and empowered to segregate the annual
25 incremental revenues allocated under a TIF agreement and transfer such amounts to the general
26 treasurer for deposit in a restricted account known as the TIF fund. The TIF fund shall be used
27 solely to pay for the incentives granted under this chapter. The director of the department of revenue
28 shall annually determine if a surplus exists in the TIF fund over amounts necessary to fund
29 incentives under this chapter in a fiscal year and may authorize the general treasurer to transfer any
30 surplus to the general fund. The unexpended balance of such sum of money received and
31 appropriated for the TIF fund remaining in the treasury at the close of each fiscal year, shall be
32 continued to and is hereby annually appropriated for the same account for the ensuing year.

33 (d) Under conditions defined by the commerce corporation and in consultation with the
34 department of revenue, ~~those~~ [all](#) taxes ~~eligible for inclusion in this TIF program~~ [identified in § 42-](#)

1 [64.21-5\(a\) that would otherwise comprise 75% of the incremental revenue available for allocation](#)
2 [under § 42-64.21-5\(b\), may instead be exempted by the commerce corporation](#) up to the levels
3 permitted by this act in cases of significant taxpayers [or for transactions occurring within a](#)
4 [qualifying TIF area. Any incremental tax revenue exempted by the commerce corporation pursuant](#)
5 [to this act shall not be assessed and/or collected as a tax from any person or entity.](#) Such significant
6 taxpayers; [and any other person or entity entering into a contract with the commerce corporation](#)
7 [consummating a transaction giving rise to the exemptions provided pursuant to this subsection,](#)
8 ~~may shall~~ instead be required to contribute payments ~~in lieu of taxes (PILOTs)~~ into a dedicated
9 fund established by the commerce corporation. Such payments shall be ~~up to 75 percent of equal~~
10 [to the amount that would otherwise be due to the state in the form of taxation in the absence of such](#)
11 [exemption as per the provisions of this statute.](#) Such dedicated funds must be used for the purposes
12 described in this act. [The balance of said state revenue not subject to an exemption under this act](#)
13 [shall be deposited in the general fund in the ordinary course by the division of taxation. The](#)
14 [commerce corporation and any other person or entity entering into transactions pursuant to this act](#)
15 [shall provide to the division of taxation in a format it may reasonably require, such information that](#)
16 [will allow it to confirm compliance with this act, the terms of the documents related to the](#)
17 [transactions giving rise to the exemptions, and all applicable state law.](#) The commerce corporation
18 may issue revenue bonds secured by this dedicated fund. Such bonds shall not be a general
19 obligation of the state. (e) The commerce corporation shall promulgate an application form and
20 procedure for the program.

21 SECTION 8. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled “Rhode
22 Island Tax Increment Financing” is hereby amended as follows:

23 **42-64.21-9. Sunset.**

24 No credits shall be authorized to be reserved pursuant to this chapter after [December 31,](#)
25 ~~2023~~[June 30, 2020.](#)

26 SECTION 9. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled “Tax
27 Stabilization Incentive” is hereby amended as follows:

28 **42-64.22-15. Sunset.**

29 The commerce corporation shall enter into no agreement under this chapter after [December](#)
30 ~~31, 2023~~[June 30, 2020.](#)

31 SECTION 10. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled “First
32 Wave Closing Fund Act” is hereby amended as follows:

33 **42-64.23-8. Sunset.**

34 No financing shall be authorized to be reserved pursuant to this chapter after [December 31,](#)

1 ~~2023~~June 30, 2020.

2 SECTION 11. Section 42-64.24-8 of the General Laws in Chapter 42-64.24 entitled “I-195
3 Redevelopment Project Fund Act” is hereby amended as follows:

4 **42-64.24-8. Sunset.**

5 No funding, credits, or incentives shall be authorized or authorized to be reserved pursuant
6 to this chapter after ~~December 31, 2023~~June 30, 2020.

7 SECTION 12. Section 42-64.25-14 of the General Laws in Chapter 42-64.25 entitled
8 “Small Business Assistance Program Act” is hereby repealed:

9 ~~**42-64.25-14. Sunset.**~~

10 ~~No grants, funding, or incentives shall be authorized pursuant to this chapter after June 30,~~
11 ~~2020.~~

12 SECTION 13. Section 42-64.26-3 of the General Laws in Chapter 42-64.26 entitled “Stay
13 Invested in RI Wavemaker Fellowship” is hereby amended to read as follows:

14 **42-64.26-3. Definitions.**

15 As used in this chapter:

16 (1) “Eligible graduate” means an individual who meets the eligibility requirements under
17 this chapter.

18 (2) “Applicant” means an eligible graduate who applies for a tax credit for education loan
19 repayment expenses under this chapter.

20 (3) “Award” means a tax credit awarded by the commerce corporation to an applicant as
21 provided under this chapter.

22 (4) “Business” means any applicant that is a corporation, state bank, federal savings bank,
23 trust company, national banking association, bank holding company, loan and investment
24 company, mutual savings bank, credit union, building and loan association, insurance company,
25 investment company, broker-dealer company or surety company, limited liability company,
26 partnership, sole proprietorship, or federal agency or subsidiaries thereof.

27 (5) “Taxpayer” means an applicant who receives a tax credit under this chapter.

28 ~~(6)~~ “Commerce corporation” means the Rhode Island commerce corporation established
29 pursuant to chapter 64 of title 42.

30 ~~(7)~~ “Eligible expenses” or “education loan repayment expenses” means annual higher
31 education loan repayment expenses, including, without limitation, principal, interest and fees, as
32 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to
33 repay for attendance at a post-secondary institution of higher learning.

34 ~~(8)~~ “Eligibility period” means a term of up to four (4) consecutive service periods

1 beginning with the date that an eligible graduate receives initial notice of award under this chapter
2 and expiring at the conclusion of the fourth service period after such date specified.

3 (98) “Eligibility requirements” means the following qualifications or criteria required for
4 an applicant to claim an award under this chapter:

5 (i) That the applicant shall have graduated from an accredited two (2) year, four (4) year
6 or graduate post-secondary institution of higher learning with an associate's, bachelor's, graduate,
7 or post-graduate degree and at which the applicant incurred education loan repayment expenses;

8 (ii) That the applicant shall be a full-time employee with a Rhode Island-based employer
9 located in this state throughout the eligibility period, whose employment is for work in one or more
10 of the following covered fields: life, natural or environmental sciences; computer, information or
11 software technology; advanced mathematics or finance; engineering; industrial design or other
12 commercially related design field; or medicine or medical device technology.

13 (109) “Full-time employee” means a person who is employed in Rhode Island by a business
14 for consideration for a minimum of at least thirty-five (35) hours per week, or who renders any
15 other standard of service generally accepted by custom or practice as full-time employment, or who
16 is employed by a professional employer organization pursuant to an employee leasing agreement
17 between the business and the professional employer organization for a minimum of thirty-five (35)
18 hours per week, or who renders any other standard of service generally accepted by custom or
19 practice as full-time employment and whose earnings are subject to Rhode Island income tax, ~~and~~
20 ~~whose wages are subject to withholding.~~

21 (110) “Service period” means a twelve (12) month period beginning on the date that an
22 eligible graduate receives initial notice of award under this chapter.

23 (121) “Student loan” means a loan to an individual by a public authority or private lender
24 to assist the individual to pay for tuition, books, and living expenses in order to attend a post-
25 secondary institution of higher learning.

26 (132) “Rhode Island-based employer” means (i) an employer having a principal place of
27 business or at least fifty-one percent (51%) of its employees located in this state; or (ii) an employer
28 registered to conduct business in this state that reported Rhode Island tax liability in the previous
29 tax year.

30 (143) “Fund” refers to the “Stay Invested in RI Wavemaker Fellowship Fund” established
31 pursuant to § 42-64.26-4.

32 SECTION 14. Section 42-64.26-12 of the General Laws in Chapter 42-64.26 entitled “Stay
33 Invested in RI Wavemaker Fellowship” is hereby amended to read as follows:

34 **42-64.26-12. Sunset.**

1 No incentives or credits shall be authorized pursuant to this chapter after [December 31,](#)
2 [2023](#)~~[June 30, 2020](#)~~.

3 SECTION 15. Section 42-64.27-6 of the General Laws in Chapter 42-64.27 entitled “Main
4 Street Rhode Island Streetscape Improvement Fund” is hereby amended as follows:

5 **42-64.27-6. Sunset.**

6 No incentives shall be authorized pursuant to this chapter after [December 31, 2023](#)~~[June 30,](#)~~
7 ~~[2020](#)~~.

8 SECTION 16. Section 42-64.28-10 of the General Laws in Chapter 42-64.28 entitled
9 “Innovation Initiative” is hereby amended as follows:

10 **42-64.28-10. Sunset.**

11 No vouchers, grants, or incentives shall be authorized pursuant to this chapter after
12 [December 31, 2023](#)~~[June 30, 2020](#)~~.

13 SECTION 17. Section 42-64.29-8 of the General Laws in Chapter 42-64.29 entitled
14 “Industry Cluster Grants” is hereby amended as follows:

15 **42-64.29-8. Sunset.**

16 No grants or incentives shall be authorized to be reserved pursuant to this chapter after
17 [December 31, 2023](#)~~[June 30, 2020](#)~~.

18 SECTION 18. Section 42-64.31-4 of the General Laws in Chapter 42-64.31 entitled “High
19 School, College, and Employer Partnerships” is hereby amended as follows:

20 **42-64.31-4. Sunset.**

21 No grants shall be authorized pursuant to this chapter after [December 31, 2023](#)~~[June 30,](#)~~
22 ~~[2020](#)~~.

23 SECTION 19. Section 42-64.32-6 of the General Laws in Chapter 42-64.32 entitled “Air
24 Service Development Fund” is hereby amended as follows:

25 **42-64.32-6. Sunset.**

26 No grants, credits, or incentives shall be authorized or authorized to be reserved pursuant
27 to this chapter after [December 31, 2023](#)~~[June 30, 2020](#)~~.

28 SECTION 20. It is hereby enacted as follows:

29 **42-64.33-1. Legislative findings.**

30 [\(a\) It is found and declared that:](#)

31 [\(1\) Rhode Island is home to a growing economy and municipalities are partners in the](#)
32 [state’s economic growth;](#)

33 [\(2\) The state seeks to work in even closer partnership with cities and towns to support](#)
34 [economic development throughout the state;](#)

1 (3) The state seeks to serve as resource and partner for best practices and technical
2 assistance to enable the continued growth of cities and towns;

3 (4) Cities and towns have achieved great progress over the past four years through
4 initiatives such as LEAN programs, e-permitting, and other process improvement programs and
5 these successes should be built upon and expanded;

6 (5) Expanding statewide efforts in land-assembly and site-preparation is a core
7 recommendation of the 2015 Brookings report "Rhode Island Innovates";

8 (6) Rhode Island lacks readily developable land and this lack of shovel ready sites can
9 prevent manufacturers and other firms from locating in Rhode Island.

10 (7) Rhode Island can create a national model that integrates economic development
11 processes across the state in a mutually accountable partnership with cities and towns and Rhode
12 Island can develop an attractive portfolio of pre-permitted sites.

13 (8) This approach is premised upon cities and towns opting in – participating in ways that
14 are of the greatest value to the local community involved.

15 **42-64.33-2. Short title.**

16 This chapter shall be known as "The State and Local Partnership Council Act."

17 **42-64.33-3. Creation.**

18 (a) There is authorized, created, and established a public corporation of the state having a
19 distinct legal existence from the state and not constituting a department of state government, which
20 is a governmental agency and public instrumentality of the state, to be known as the "state and local
21 partnership council" with those powers and purposes that are set forth in this chapter, with the
22 objectives of providing and promoting and encouraging the preservation, expansion and sound
23 development of new and existing industry, business, commerce, and related tourism and
24 recreational facilities, attracting and retaining "high value added" employment opportunities, and
25 promoting thereby the economic development of the state and the general welfare of its citizens.

26 (b) The exercise by the council of the powers conferred by this chapter shall be deemed
27 and held to be the performance of an essential governmental function of the state for public
28 purposes. It is the intent of the general assembly by the passage of this chapter to vest in the council
29 all powers, authority, rights, privileges, and titles which may be necessary to enable it to accomplish
30 the purposes herein set forth, and this chapter and the powers granted hereby shall be liberally
31 construed in conformity with those purposes.

32 (c) The council and its corporate existence shall continue until terminated by law or until
33 the council shall cease entirely and continuously to conduct or be involved in any business
34 whatsoever in furtherance of its purposes; provided, that no termination shall take effect, so long

1 as the council shall have bonds, notes, or other obligations outstanding, unless adequate provision
2 shall have been made for the payment thereof pursuant to the documents securing the obligations
3 or to the terminating law. Upon termination of the existence of the council, all of its rights and
4 properties shall pass to and be vested in the commerce corporation, established pursuant to chapter
5 64 of this title, or its successor or, if the commerce corporation is terminated and there is no
6 successor, in the state. At no time shall the assets or other property of the council inure to the benefit
7 of any person or other corporation or entity.

8 **42-64.33-4. Purposes.**

9 The council is authorized and established to carry out the program for the following
10 purposes:

11 (a) To foster and maintain strong collaborations with municipalities in the state.

12 (b) To provide all manner of support and assistance to municipalities in order to foster
13 economic development in Rhode Island .

14 (c) To promote site readiness in the state, including developing an inventory of vetted, pad-
15 ready sites in the state capable of supporting economic development and establishing a professional
16 capacity to develop, manage, and market lands to foster economic development in Rhode Island.

17 (d) To establish, implement, and maintain high standards for design, improvement,
18 operation, and use of property in order to provide sites and related amenities for high quality
19 businesses that create high value-added jobs in Rhode Island.

20 (e) To plan, construct, reconstruct, rehabilitate, alter, improve, develop, maintain, operate
21 and/or acquire or convey any parcels, tracts, areas or projects within participating municipalities.

22 **42-64.33-5. Definitions.**

23 (a) As used in this chapter, words and terms, shall have the meaning set forth in § 42-64-3
24 unless this chapter provides a different meaning or unless the context indicates a different meaning
25 or intent.

26 (b) Within this chapter, the following words and terms shall have the following meanings
27 unless the context indicates a different meaning or intent:

28 (1) "Board" means the board of directors of the state and local partnership council.

29 (2) "Chairperson" means the chair of the board of the state and local partnership council.

30 (3) "Council" means the state and local partnership council.

31 (4) "Program" means the state and local partnership program to be carried out by the state
32 and local partnership council consistent with the provisions of this chapter.

33 **42-64.33-6. Assistance to municipalities.**

34 (a) Upon appropriate authorization by a municipality regarding participation in the

1 program, the council is authorized and empowered, in its discretion, to provide all manner of
2 support and assistance to municipalities in connection with fostering economic development
3 including, but not limited to, aiding in (i) the preparation, adoption or implementation of laws,
4 regulations, or processes related to development; and (ii) the planning and development of any
5 parcels, tracts, areas or projects within the municipality. Notwithstanding state and municipal law
6 or regulation to the contrary, such authorization, if needed, shall require a single vote of the
7 governing body of the municipality and the approval of the chief elected official, if any.

8 (b) In carrying out the program, the council is authorized and empowered to enter into
9 contractual agreements with municipalities, which contracts may include, among other things, for
10 the council to provide all manner of support and assistance to municipalities in connection with
11 fostering economic development including, but not limited to, aiding in the (i) preparation, adoption
12 or implementation of laws, regulations, or processes related to development; and (ii) the planning
13 and development of any parcels, tracts, areas or projects within the municipality; and municipalities
14 are authorized and empowered, notwithstanding any other law to the contrary, to enter into any
15 contractual agreements with the council and to do all things necessary to carry out their obligations
16 under the agreements.

17 (c)(1) Notwithstanding anything to the contrary in chapter 64.22 of title 42 of the general
18 laws or any regulations adopted in connection with the program created under chapter 64.22 of title
19 42, if a qualifying community or hope community participating in the program grants a qualifying
20 tax stabilization agreement in connection with a qualifying development project, upon
21 recommendation by the council to the commerce corporation of eligibility of an enhanced award
22 and subject to availability of appropriated funds, the commerce corporation may provide a partial
23 reimbursement of no more than fifty percent (50%) of the qualifying community and/or hope
24 community's forgone tax revenue. The qualification for reimbursement shall cease upon any
25 termination or cessation of the underlying tax stabilization agreement or upon exhaustion of funds
26 appropriated pursuant to this section.

27 (2) Terms used in this subsection that are defined in chapter 64.22 of title 42, shall have
28 the meaning as assigned in chapter 64.22 of title 42.

29 (3) The council shall provide no more than five (5) certifications in any calendar year under
30 this subsection.

31 (d) Any department, agency, council, board or other instrumentality of the state shall
32 cooperate with the council in relation to the implementation, execution and administration of the
33 program created under this chapter.

34 **42-64.33-7. General powers.**

1 (a)(1) Except to the extent inconsistent with any specific provision of this chapter, the
2 council shall have and may exercise all general powers set forth in this chapter and the following
3 additional general powers:

4 (2) As set forth in § 42-64.10-5, § 42-64.10-6 and necessary or convenient to effect its
5 purposes; provided, that the council shall exercise the powers enumerated in § 42-64.10-6(c) in its
6 own name and stead with respect to the program and shall not have the powers set forth in §§ 42-
7 64.10-6(d), 42-64.10-6(h) and 42-64.10-6(i)(3); and

8 (3) To grant, loan or provide other financial assistance in relation to the implementation,
9 execution or administration of the program.

10 **42-64.33-8. Regulations.**

11 The council may adopt implementation guidelines, directives, criteria, rules and
12 regulations pursuant to § 42-35-1, et seq. as are necessary for the implementation and
13 administration of the program, including provisions for the imposition of fees or other charges in
14 relation to the administration of the program.

15 **42-64.33-9. Site readiness.**

16 (a) To promote site readiness within the state, the council is authorized and empowered to:

17 (1) Develop a comprehensive, expedited permitting process in relation to parcels, tracts or
18 areas as authorized by a municipality participating in the program or provide support and assistance
19 consistent with applicable municipal law;

20 (2) Develop a pre-permitting process to allow for pre-permitted parcels, tracts or areas as
21 authorized by a municipality participating in the program or provide support and assistance
22 consistent with applicable municipal law;

23 (3) Issue any and all permits, licenses or other authorizations appropriate to carry-out the
24 program; and

25 (4) Plan, construct, reconstruct, rehabilitate, alter, improve, develop, operate, maintain, any
26 parcels, tracts, or projects owned by the council or other state instrumentality. To the extent
27 provided by the authorization for participation of a municipality in the program, such parcels, tracts
28 and projects shall be exempt from the zoning or other land use ordinances, codes, including
29 building and fire codes, plans, or regulations of any municipality or political subdivision. Parcels,
30 tracts, areas or projects which are planned, constructed, reconstructed, rehabilitated, altered,
31 improved, or developed by the council in accordance with the exemption provisions of this
32 subsection may be maintained and operated by lessees from and successors in interest to the council
33 in the same manner as if such parcel, tract, area or project had been in existence prior to the
34 enactment of the zoning or other land use ordinances, codes, plans, or regulations which, but for

1 this chapter, would otherwise be applicable.

2 (6) Notwithstanding any provision in this chapter to the contrary, in those instances in
3 which the department of environmental management exercises a permitting or licensing function
4 under the delegated authority of federal law, including, but not limited to, the Federal Clean Water
5 Act (33 U.S.C. § 1251 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et
6 seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), Coastal Zone Management Act of 1972 (16
7 U.S.C. § 1451 et seq.), and those state laws and regulations which implement those federal laws,
8 the department of environmental management shall be the licensing and permitting authority.
9 Further, notwithstanding any provision in this chapter to the contrary, in those instances in which
10 the coastal resources management council exercises a permitting, licensing or other regulatory
11 function under the delegated authority of federal law, including, but not limited to, the Coastal Zone
12 Management Act (16 U.S.C. § 1451 et seq.), and those state laws and regulations which implement
13 those federal laws, the coastal resources management council shall be the licensing, permitting and
14 regulatory authority. Moreover, the authority of the department of environmental management and
15 the coastal resources management council authorities under state law, including but not limited to
16 issuing licenses and permits delegated to the department of environmental management pursuant
17 to chapter 1 of title 2 and to the coastal resources management council pursuant to chapter 23 of
18 title 46, shall remain with those agencies.

19 (c) The council shall, in planning, constructing, reconstructing, rehabilitating, altering, or
20 improving any parcel, tract, area or project, comply with all requirements of federal laws, codes,
21 or regulations applicable to that planning, construction, reconstruction, rehabilitation, alteration, or
22 improvement. Except as otherwise specifically provided to the contrary in the authorization
23 allowing participation by a municipality in the program or a contract entered into between the
24 council and such municipality pursuant to § 42-64.33-5(b) of this section, no municipality or other
25 political subdivision of the state shall have the power to modify or change in whole or in part the
26 drawings, plans, or specifications for any parcel, tract, area or project adopted by the council; nor
27 to require that any person, firm, or council employed with respect to that parcel, tract, area or project
28 perform work in any other or different manner than that provided by those drawings, plans, and
29 specifications; nor to require that any such person, firm, or council obtain any approval, permit, or
30 certificate from the municipality or political subdivision in relation to the parcel, tract, area or
31 project; and the doing of that work by any person, firm, or council in accordance with the terms of
32 those drawings, plans, specifications, or contracts shall not subject the person, firm, or council to
33 any civil liability or penalty, other than as may be stated in the contracts or may be incidental to the
34 proper enforcement thereof; nor shall any municipality or political subdivision have the power to

1 require the council, or any lessee or successor in interest, to obtain any approval, permit, or
2 certificate from the municipality or political subdivision as a condition of owning, using,
3 maintaining, operating, or occupying any parcel, tract, area or project acquired, constructed,
4 reconstructed, rehabilitated, altered, or improved by the council or pursuant to drawings, plans, and
5 specifications made or approved by the council; provided, however, that nothing contained in this
6 subsection shall be deemed to relieve any person, firm, or council from the necessity of obtaining
7 from any municipality or other political subdivision of the state any license which, but for the
8 provisions of this chapter, would be required in connection with the rendering of personal services
9 or sale at retail of tangible personal property.

10 (f) Except to the extent that the council shall expressly otherwise agree, a municipality or
11 political subdivision, including, but not limited to, a county, city, town, or district, in which a
12 project of the council is located, shall provide for the project, whether then owned by the council
13 or any successor in interest, police, fire, sanitation, health protection, and other municipal services
14 of the same character and to the same extent as those provided for other residents of that
15 municipality or political subdivision, but nothing contained in this section shall be deemed to
16 require any municipality or political subdivision to make capital expenditures for the sole purpose
17 of providing any of these services for that project.

18 **42-64.33-10. Directors, officers and employees.**

19 (a)(1) Directors. The powers of the council shall be vested in a board of directors consisting
20 of nine (9) members. The membership of the board shall consist of the chief executive officer of
21 the Rhode Island commerce corporation as chairperson, (who shall vote only in the event of a tie),
22 and eight (8) members appointed by the governor. The initial members of the board appointed by
23 the governor shall be divided into three (3) classes and shall serve initial terms on the board of
24 directors as follows: three (3) of the directors shall be appointed for an initial term of one year;
25 three (3) of the directors, shall be appointed for an initial term of two (2) years; and two (2) of the
26 directors shall be appointed for an initial term of three (3) years. Upon expiration of each initial
27 term and upon the expiration of each term thereafter, a successor shall be appointed by the governor,
28 to serve for a term of three (3) years so that members of the board of directors shall serve for
29 staggered terms of three (3) years each. Two (2) members of the board shall be representatives of
30 the municipalities of Rhode Island. A vacancy on the board, other than by expiration, shall be filled
31 in the same manner as an original appointment, but only for the unexpired portion of the term. A
32 member shall be eligible to succeed himself or herself. Appointed directors shall not serve more
33 than two (2) successive three (3) year terms but may be reappointed after not being a director for a
34 period of at least twelve (12) months. Each appointed director shall hold office for the term for

1 which the director is appointed and until the director's successor shall have been appointed and
2 qualified, or until the director's earlier death, resignation or removal.

3 (2) The directors shall receive no compensation for the performance of their duties under
4 this chapter, but each director shall be reimbursed for his or her reasonable expenses incurred in
5 carrying out those duties. A director may engage in private employment, or in a profession or
6 business.

7 (3) Regular meetings of the directors shall be held at least once in each calendar quarter, at
8 the call of the chairperson or secretary, or in accordance with an annual schedule of meetings
9 adopted by the board. Special meetings may be called for any purposes by the chairperson or the
10 secretary and as provided for in the bylaws of the council.

11 (4) A majority of the directors then in office, but not less than three (3) directors, shall
12 constitute a quorum, and any action to be taken by the council under the provisions of this chapter,
13 may be authorized by resolution approved by a majority of the directors present and entitled to a
14 vote at any regular or special meeting at which a quorum is present. A vacancy in the membership
15 of the board of directors shall not impair the right of a quorum to exercise all of the rights and
16 perform all of the duties of the council. Any action taken by the council under the provisions of this
17 chapter may be authorized by a vote at any regular or special meeting, and each vote shall take
18 effect immediately, unless otherwise provided in the vote or approving resolution of the board.

19 (b) Officers. The officers of the council shall include a chairperson, a secretary, and such
20 other officers as the board may from time to time establish.

21 (1) Chairperson. The governor shall appoint the chairperson of the board who shall, with
22 the concurrence of the board, appoint committee members, and preside at meetings of the board.

23 (2) Presiding Officer. The chairperson shall, from time to time, designate a presiding
24 officer from amongst the members of the board who shall preside at a given meeting in the absence
25 of the chairperson.

26 (3) Other officers. The board shall appoint a secretary, the duties of whom shall be
27 prescribed in the bylaws of the council.

28 (4) With the exception of the chairperson, any number of offices may be held by the same
29 person, unless the bylaws provide otherwise.

30 **42-64.33-11. Liability of the Council.**

31 The council is, subject to the period of limitations set forth in § 9-1-25, liable in actions of
32 tort only to the extent that those actions do not arise from the performance of any functions found
33 or deemed to be essential or discretionary governmental functions. Any recovery in an action or
34 any recovery by any person in one or more of any actions against the council, its directors,

1 employees, or agents, shall not exceed one hundred thousand dollars (\$100,000) per plaintiff in the
2 absence of fraud or willful misconduct. In the absence of fraud or willful misconduct, the directors
3 are not personally liable to any party on account of any action (whether tort or otherwise) arising
4 from or related to the manner or terms of the disposition of the council's assets, nor shall the manner
5 or terms of the disposition constitute a defense to any obligation owed to the council.

6 **42-64.33-12. Compliance.**

7 The council shall comply with the following laws:

8 (a) Code of ethics, chapter 14 of title 36;

9 (b) Opening meetings, chapter 46 of this title;

10 (c) Access to public records, chapter 2 of title 38;

11 (d) Administrative procedures, chapter 35 of this title; and

12 (e) Governance and financial management of quasi-public corporations, as provided in
13 chapter 18 of title 35 with regard to obligations, financing leases, and guarantees and chapter 2 of
14 title 37 with regard to purchasing principles, policies, and practices, and by §§ 35-3-17.1, 35-6-37,
15 35-7-13, 35-7-14, 35-20-6, 35-20-9, 42-11.3-2 and 42-11.3-4(A).

16 **42-64.33-13. Consistency with other statutes.**

17 (a) The Rhode Island Commerce Corporation Act. Except as otherwise expressly provided
18 by this chapter, the council shall have the powers necessary to accomplish the purposes set forth in
19 chapter 64 of this title. The council shall be, in the manner set forth in this chapter, a subsidiary of
20 the commerce corporation notwithstanding the requirements of § 42-64-7.1, and this chapter shall
21 be deemed fully satisfactory for purposes of § 42-64-7.1 as necessary to effectuate the provisions
22 of this chapter.

23 (b) Other state laws. Nothing contained in this chapter shall restrict or limit the powers of
24 the council arising under any laws of this state except where those powers are expressly contrary
25 to the provisions of this chapter; provided, however, that the council shall not have any power to
26 create, empower, or otherwise establish any corporation, subsidiary corporation, corporate body,
27 any form of partnership, or any other separate entity, without the express approval and authorization
28 of the general assembly. Except as otherwise provided, this chapter shall be construed to provide a
29 complete additional and alternative method for doing the things authorized hereby and shall be
30 regarded as supplemental and in addition to the powers conferred by other laws.

31 **42-64.33-14. Inconsistent provisions.**

32 Insofar as the provisions of this chapter are inconsistent with the provisions of any other
33 law or ordinance, general, special or local, the provisions of this chapter shall be controlling.

34 **42-64.33-15. Construction – Liberal construction.**

1 This chapter, being necessary for the welfare of the state and its inhabitants, shall be
2 liberally construed so as to effectuate its purposes.

3 **42-64.33-16. Severability.**

4 If any clause, sentence, paragraph, section, or part of this chapter shall be adjudged by any
5 court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or invalidate
6 the remainder of the chapter but shall be confined in its operation to the clause, sentence, paragraph,
7 section, or part directly involved in the controversy in which that judgment shall have been
8 rendered.

9 **42-64.33-17. Reporting requirements.**

10 The council shall publish a report summarizing municipality participation in the program
11 within sixty (60) days after the end of each fiscal year. The report shall contain information on the
12 commitment, disbursement, and use of funds expended by the council in relation to assistance to
13 municipalities.

14 SECTION 21. Section 44-11-11 of the General Laws in Chapter 44-11 entitled "Business
15 Corporation Tax" is hereby amended to read as follows:

16 **44-11-11. "Net income" defined.**

17 (a)(1) "Net income" means, for any taxable year and for any corporate taxpayer, the taxable
18 income of the taxpayer for that taxable year under the laws of the United States, plus:

19 (i) Any interest not included in the taxable income;

20 (ii) Any specific exemptions;

21 (iii) The tax imposed by this chapter; and minus

22 (iv) Interest on obligations of the United States or its possessions, and other interest exempt
23 from taxation by this state; and

24 (v) The federal net operating loss deduction.

25 (2) All binding federal elections made by or on behalf of the taxpayer applicable either
26 directly or indirectly to the determination of taxable income shall be binding on the taxpayer except
27 where this chapter or its attendant regulations specifically modify or provide otherwise. Rhode
28 Island taxable income shall not include the "gross-up of dividends" required by the federal Internal
29 Revenue Code to be taken into taxable income in connection with the taxpayer's election of the
30 foreign tax credit.

31 (b) A net operating loss deduction shall be allowed which shall be the same as the net
32 operating loss deduction allowed under 26 U.S.C. § 172, except that:

33 (1) Any net operating loss included in determining the deduction shall be adjusted to reflect
34 the inclusions and exclusions from entire net income required by subsection (a) of this section and

1 § 44-11-11.1;

2 (2) The deduction shall not include any net operating loss sustained during any taxable year
3 in which the taxpayer was not subject to the tax imposed by this chapter; and

4 (3) The deduction shall not exceed the deduction for the taxable year allowable under 26
5 U.S.C. § 172; provided, that the deduction for a taxable year may not be carried back to any other
6 taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for the
7 five (5) succeeding taxable years.

8 (c) "Domestic international sales corporations" (referred to as DISCs), for the purposes of
9 this chapter, will be treated as they are under federal income tax law and shall not pay the amount
10 of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in
11 the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

12 (d) A corporation which qualifies as a "foreign sales corporation" (FSC) under the
13 provisions of subchapter N, 26 U.S.C. § 861 et seq., and which has in effect for the entire taxable
14 year a valid election under federal law to be treated as a FSC, shall not pay the amount of the tax
15 computed under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same
16 manner as it is treated under federal income tax law as it exists on January 1, 1985.

17 [\(e\) For purposes of a corporation's state tax liability, any deduction to income allowable](#)
18 [under 26 U.S.C. 1400Z-2\(c\) may be claimed in the case of any investment held by the taxpayer for](#)
19 [at least seven years. The division of taxation shall promulgate, in its discretion, rules and](#)
20 [regulations relative to the accelerated application of deductions under 12 U.S.C. 1400Z-2\(c\).](#)

21 SECTION 22. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled "Personal
22 Income Tax" is hereby amended to read as follows:

23 **44-30-2.6. Rhode Island taxable income -- Rate of tax.**

24 (a) "Rhode Island taxable income" means federal taxable income as determined under the
25 Internal Revenue Code, 26 U.S.C. § 1 et seq., not including the increase in the basic, standard-
26 deduction amount for married couples filing joint returns as provided in the Jobs and Growth Tax
27 Relief Reconciliation Act of 2003 and the Economic Growth and Tax Relief Reconciliation Act of
28 2001 (EGTRRA), and as modified by the modifications in § 44-30-12.

29 (b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years beginning on
30 or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode Island
31 taxable income of residents and nonresidents, including estates and trusts, at the rate of twenty-five
32 and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year 2002
33 and thereafter of the federal income tax rates, including capital gains rates and any other special
34 rates for other types of income, except as provided in § 44-30-2.7, which were in effect immediately

1 prior to enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA);
2 provided, rate schedules shall be adjusted for inflation by the tax administrator beginning in taxable
3 year 2002 and thereafter in the manner prescribed for adjustment by the commissioner of Internal
4 Revenue in 26 U.S.C. § 1(f). However, for tax years beginning on or after January 1, 2006, a
5 taxpayer may elect to use the alternative flat tax rate provided in § 44-30-2.10 to calculate his or
6 her personal income tax liability.

7 (c) For tax years beginning on or after January 1, 2001, if a taxpayer has an alternative
8 minimum tax for federal tax purposes, the taxpayer shall determine if he or she has a Rhode Island
9 alternative minimum tax. The Rhode Island alternative minimum tax shall be computed by
10 multiplying the federal tentative minimum tax without allowing for the increased exemptions under
11 the Jobs and Growth Tax Relief Reconciliation Act of 2003 (as redetermined on federal form 6251
12 Alternative Minimum Tax-Individuals) by twenty-five and one-half percent (25.5%) for tax year
13 2001, and twenty-five percent (25%) for tax year 2002 and thereafter, and comparing the product
14 to the Rhode Island tax as computed otherwise under this section. The excess shall be the taxpayer's
15 Rhode Island alternative minimum tax.

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

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

24 (A) Tax imposed.

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

27 If taxable income is:	The tax is:
28 Not over \$53,150	3.75% of taxable income
29 Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
30 Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
31 Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
32 Over \$349,700	\$26,333.75 plus 9.90% of the excess over \$349,700

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

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

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

10	If taxable income is:	The tax is:
11	Not over \$31,850	3.75% of taxable income
12	Over \$31,850 but not over \$77,100	\$1,194.38 plus 7.00% of the excess over \$31,850
13	Over \$77,100 but not over \$160,850	\$4,361.88 plus 7.75% of the excess over \$77,100
14	Over \$160,850 but not over \$349,700	\$10,852.50 plus 9.00% of the excess over \$160,850
15	Over \$349,700	\$27,849.00 plus 9.90% of the excess over \$349,700

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

18	If taxable income is:	The tax is:
19	Not over \$26,575	3.75% of taxable income
20	Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
21	Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250
22	Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
23	Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850

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

26	If taxable income is:	The tax is:
27	Not over \$2,150	3.75% of taxable income
28	Over \$2,150 but not over \$5,000	\$80.63 plus 7.00% of the excess over \$2,150
29	Over \$5,000 but not over \$7,650	\$280.13 plus 7.75% of the excess over \$5,000
30	Over \$7,650 but not over \$10,450	\$485.50 plus 9.00% of the excess over \$7,650
31	Over \$10,450	\$737.50 plus 9.90% of the excess over \$10,450

32 (6) Adjustments for inflation.

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

34 (a) Such dollar amount contained in paragraph (A) in the year 1993, multiplied by;

1 (b) The cost-of-living adjustment determined under section (J) with a base year of 1993;

2 (c) The cost-of-living adjustment referred to in subparagraphs (a) and (b) used in making
3 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall
4 be determined under section (J) by substituting "1994" for "1993."

5 (B) Maximum capital gains rates.

6 (1) In general.

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

9 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section
10 26 U.S.C. § 1(h)(1)(a) and 26 U.S.C. § 1(h)(1)(b).

11 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
12 § 1(h)(1)(c).

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

15 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
16 § 1(h)(1)(e).

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

19 (C) Itemized deductions.

20 (1) In general.

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

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

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

26 (3) Basic standard deduction.

27 The Rhode Island standard deduction shall be allowed in accordance with the following
28 table:

29	Filing status	Amount
30	Single	\$5,350
31	Married filing jointly or qualifying widow(er)	\$8,900
32	Married filing separately	\$4,450
33	Head of Household	\$7,850

34 (4) Additional standard deduction for the aged and blind. An additional standard deduction

1 shall be allowed for individuals age sixty-five (65) or older or blind in the amount of \$1,300 for
2 individuals who are not married and \$1,050 for individuals who are married.

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

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

6 (a) \$850;

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

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

9 In the case of:

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

11 (b) Nonresident alien individual;

12 (c) An estate or trust;

13 The standard deduction shall be zero.

14 (7) Adjustments for inflation.

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

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

18 by

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

20 (D) Overall limitation on itemized deductions.

21 (1) General rule.

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

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

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

29 (2) Applicable amount.

30 (a) In general.

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

33 (b) Adjustments for inflation.

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

- 1 (i) Such dollar amount contained in paragraph (a) in the year 1991, multiplied by
- 2 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.
- 3 (3) Phase-out of Limitation.

4 (a) In general.

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

8 (b) Applicable fraction.

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

11 For taxable years beginning in calendar year	The applicable fraction is
12 2006 and 2007	2/3
13 2008 and 2009	1/3

14 (E) Exemption amount.

15 (1) In general.

16 Except as otherwise provided in this subsection, the term "exemption amount" means
17 \$3,400.

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

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

22 (3) Adjustments for inflation.

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

- 24 (a) Such dollar amount contained in paragraph (1) in the year 1989, multiplied by
- 25 (b) The cost-of-living adjustment determined under section (J) with a base year of 1989.
- 26 (4) Limitation.

27 (a) In general.

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

30 (b) Applicable percentage.

31 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
32 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
33 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
34 exceeds the threshold amount. In the case of a married individual filing a separate return, the

1 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the
2 applicable percentage exceed one hundred percent (100%).

3 (c) Threshold Amount.

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

6 Filing status	Amount
7 Single	\$156,400
8 Married filing jointly of qualifying widow(er)	\$234,600
9 Married filing separately	\$117,300
10 Head of Household	\$195,500

11 (d) Adjustments for inflation.

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

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

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

15 (5) Phase-out of limitation.

16 (a) In general.

17 In the case of taxable years beginning after December 31, 2005, and before January 1,
18 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
19 would be the amount of such reduction.

20 (b) Applicable fraction.

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

23 For taxable years beginning in calendar year	The applicable fraction is
24 2006 and 2007	2/3
25 2008 and 2009	1/3

26 (F) Alternative minimum tax.

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

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

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

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

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

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

34 (3) The amount determined under the preceding sentence shall be reduced by the alternative

1 minimum tax foreign tax credit for the taxable year.

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

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

7 (6) Exemption amount.

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

9 Filing status	Amount
10 Single	\$39,150
11 Married filing jointly or qualifying widow(er)	\$53,700
12 Married filing separately	\$26,850
13 Head of Household	\$39,150
14 Estate or trust	\$24,650

15 (7) Treatment of unearned income of minor children

16 (a) In general.

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

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

20 (ii) \$6,000.

21 (8) Adjustments for inflation.

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

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

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

26 (9) Phase-out.

27 (a) In general.

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

31 (b) Threshold amount.

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

34 Filing status	Amount
------------------	--------

1	Single	\$123,250
2	Married filing jointly or qualifying widow(er)	\$164,350
3	Married filing separately	\$82,175
4	Head of Household	\$123,250
5	Estate or Trust	\$82,150

6 (c) Adjustments for inflation

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

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

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

10 (G) Other Rhode Island taxes.

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

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

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

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

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

18 (1) General rule. There is hereby imposed a tax equal to twenty-five percent
19 (25%) of:

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

21 (I) Averaging of farm income.

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

24 (a) The Federal averaging of farm income as determined in IRC section 1301 [26 U.S.C. §
25 1301].

26 (J) Cost-of-living adjustment.

27 (1) In general.

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

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

30 (b) The CPI for the base year.

31 (2) CPI for any calendar year.

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

1 (3) Consumer price index.

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

6 (4) Rounding.

7 (a) In general.

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

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

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

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

16 (2) Child and dependent care credit;

17 (3) General business credits;

18 (4) Credit for elderly or the disabled;

19 (5) Credit for prior year minimum tax;

20 (6) Mortgage interest credit;

21 (7) Empowerment zone employment credit;

22 (8) Qualified electric vehicle credit.

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

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

34 (N) Rhode Island earned-income credit .

1 (1) In general.

2 For tax years beginning before January 1, 2015, a taxpayer entitled to a federal earned-
3 income credit shall be allowed a Rhode Island earned-income credit equal to twenty-five percent
4 (25%) of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode
5 Island income tax.

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

10 For tax years beginning on or after January 1, 2016, a taxpayer entitled to a federal earned-
11 income credit shall be allowed a Rhode Island earned-income credit equal to twelve and one-half
12 percent (12.5%) of the federal earned-income credit. Such credit shall not exceed the amount of the
13 Rhode Island income tax.

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

18 (2) Refundable portion.

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

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

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

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

31 (3) For the period January 1, 2011, through December 31, 2011, and thereafter, "Rhode
32 Island taxable income" means federal adjusted gross income as determined under the Internal
33 Revenue Code, 26 U.S.C. § 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-
34 30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to subparagraph

1 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant to subparagraph
2 44-30-2.6(c)(3)(C).

3 (A) Tax imposed.

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

8 RI Taxable Income			9	RI Income Tax
9 Over	But not over	Pay + % on Excess	10	on the amount over
10 \$0 -	\$ 55,000	\$ 0 + 3.75%	11	\$0
11 55,000 -	125,000	2,063 + 4.75%	12	55,000
12 125,000 -		5,388 + 5.99%		125,000

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

15 RI Taxable Income			16	RI Income Tax
16 Over	But not over	Pay + % on Excess	17	on the amount over
17 \$0 -	\$ 2,230	\$ 0 + 3.75%	18	\$0
18 2,230 -	7,022	84 + 4.75%	19	2,230
19 7,022 -		312 + 5.99%		7,022

20 (B) Deductions:

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

23 Filing status:	24 Amount
24 Single	\$7,500
25 Married filing jointly or qualifying widow(er)	\$15,000
26 Married filing separately	\$7,500
27 Head of Household	\$11,250

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

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

1 year exceeds one hundred seventy-five thousand dollars (\$175,000).

2 (C) Exemption Amount:

3 (I) The term "exemption amount" means three thousand five hundred dollars (\$3,500)
4 multiplied by the number of exemptions allowed for the taxable year for federal income tax
5 purposes. For tax years beginning on or after 2018, the term "exemption amount" means the same
6 as it does in 26 U.S.C. § 151 and 26 U.S.C. § 152 just prior to the enactment of the Tax Cuts and
7 Jobs Act (Pub. L. 115-97) on December 22, 2017.

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

12 (III) Identifying information required.

13 (1) Except as provided in § 44-30-2.6(c)(3)(C)(II) of this section, no exemption shall be
14 allowed under this section with respect to any individual unless the Taxpayer Identification Number
15 of such individual is included on the federal return claiming the exemption for the same tax filing
16 period.

17 (2) Notwithstanding the provisions of § 44-30-2.6(c)(3)(C)(I) of this section, in the event
18 that the Taxpayer Identification Number for each individual is not required to be included on the
19 federal tax return for the purposes of claiming a personal exemption(s), then the Taxpayer
20 Identification Number must be provided on the Rhode Island tax return for the purpose of claiming
21 said exemption(s).

22 (D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode Island
23 purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-five thousand
24 dollars (\$175,000), the exemption amount shall be reduced by the applicable percentage. The term
25 "applicable percentage" means twenty (20) percentage points for each five thousand dollars
26 (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
27 exceeds one hundred seventy-five thousand dollars (\$175,000).

28 (E) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
29 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
30 equal to:

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

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

34 (III) For the purposes of this section, the cost-of-living adjustment for any calendar year is

1 the percentage

2 (if any) by which the consumer price index for the preceding calendar year exceeds the
3 consumer price index for the base year. The consumer price index for any calendar year is the
4 average of the consumer price index as of the close of the twelve-month (12) period ending on
5 August 31, of such calendar year.

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

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

15 (F) Credits against tax.

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

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

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

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

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

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

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

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

34 (h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for

1 contributions to scholarship organizations as provided in chapter 62 of title 44.

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

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

11 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in
12 § 42-64.20-1 et seq.

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

15 (m) Historic homeownership assistance act: Effective for tax year 2017 and thereafter,
16 unused carryforward for such credit previously issued shall be allowed for the historic
17 homeownership assistance act as provided in § 44-33.1-4. This allowance is for credits already
18 issued pursuant to § 44-33.1-4 and shall not be construed to authorize the issuance of new credits
19 under the historic homeownership assistance act.

20 [\(n\) Credit for Qualified Research Expenses: Effective for tax year 2019 and thereafter](#)
21 [credit for qualified research expenses generated or awarded under § 44-32-3.1 shall be allowed.](#)

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

24 SECTION 23. Section 44-30-12 of the General Laws in Chapter 44-30 entitled "Personal
25 Income Tax" is hereby amended to read as follows:

26 **44-30-12. Rhode Island income of a resident individual.**

27 (a) General. The Rhode Island income of a resident individual means his or her adjusted
28 gross income for federal income tax purposes, with the modifications specified in this section.

29 (b) Modifications increasing federal adjusted gross income. There shall be added to federal
30 adjusted gross income:

31 (1) Interest income on obligations of any state, or its political subdivisions, other than
32 Rhode Island or its political subdivisions;

33 (2) Interest or dividend income on obligations or securities of any authority, commission,
34 or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the

1 extent exempted by the laws of the United States from federal income tax but not from state income
2 taxes;

3 (3) The modification described in § 44-30-25(g);

4 (4)(i) The amount defined below of a nonqualified withdrawal made from an account in
5 the tuition savings program pursuant to § 16-57-6.1. For purposes of this section, a nonqualified
6 withdrawal is:

7 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal
8 Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-
9 6.1; and

10 (B) A withdrawal or distribution which is:

11 (I) Not applied on a timely basis to pay "qualified higher education expenses" as defined
12 in § 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

13 (II) Not made for a reason referred to in § 16-57-6.1(e); or

14 (III) Not made in other circumstances for which an exclusion from tax made applicable by
15 Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, pertains if the transfer, rollover,
16 withdrawal or distribution is made within two (2) taxable years following the taxable year for which
17 a contributions modification pursuant to subdivision (c)(4) of this section is taken based on
18 contributions to any tuition savings program account by the person who is the participant of the
19 account at the time of the contribution, whether or not the person is the participant of the account
20 at the time of the transfer, rollover, withdrawal or distribution;

21 (ii) In the event of a nonqualified withdrawal under subparagraphs (i)(A) or (i)(B) of this
22 subdivision, there shall be added to the federal adjusted gross income of that person for the taxable
23 year of the withdrawal an amount equal to the lesser of:

24 (A) The amount equal to the nonqualified withdrawal reduced by the sum of any
25 administrative fee or penalty imposed under the tuition savings program in connection with the
26 nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the
27 person's federal adjusted gross income for the taxable year; and

28 (B) The amount of the person's contribution modification pursuant to subdivision (c)(4) of
29 this section for the person's taxable year of the withdrawal and the two (2) prior taxable years less
30 the amount of any nonqualified withdrawal for the two (2) prior taxable years included in
31 computing the person's Rhode Island income by application of this subsection for those years. Any
32 amount added to federal adjusted gross income pursuant to this subdivision shall constitute Rhode
33 Island income for residents, nonresidents and part-year residents; and

34 (5) The modification described in § 44-30-25.1(d)(3)(i).

1 (6) The amount equal to any unemployment compensation received but not included in
2 federal adjusted gross income.

3 (7) The amount equal to the deduction allowed for sales tax paid for a purchase of a
4 qualified motor vehicle as defined by the Internal Revenue Code § 164(a)(6).

5 (c) Modifications reducing federal adjusted gross income. There shall be subtracted from
6 federal adjusted gross income:

7 (1) Any interest income on obligations of the United States and its possessions to the extent
8 includible in gross income for federal income tax purposes, and any interest or dividend income on
9 obligations, or securities of any authority, commission, or instrumentality of the United States to
10 the extent includible in gross income for federal income tax purposes but exempt from state income
11 taxes under the laws of the United States; provided, that the amount to be subtracted shall in any
12 case be reduced by any interest on indebtedness incurred or continued to purchase or carry
13 obligations or securities the income of which is exempt from Rhode Island personal income tax, to
14 the extent the interest has been deducted in determining federal adjusted gross income or taxable
15 income;

16 (2) A modification described in § 44-30-25(f) or § 44-30-1.1(c)(1);

17 (3) The amount of any withdrawal or distribution from the "tuition savings program"
18 referred to in § 16-57-6.1 which is included in federal adjusted gross income, other than a
19 withdrawal or distribution or portion of a withdrawal or distribution that is a nonqualified
20 withdrawal;

21 (4) Contributions made to an account under the tuition savings program, including the
22 "contributions carryover" pursuant to paragraph (iv) of this subdivision, if any, subject to the
23 following limitations, restrictions and qualifications:

24 (i) The aggregate subtraction pursuant to this subdivision for any taxable year of the
25 taxpayer shall not exceed five hundred dollars (\$500) or one thousand dollars (\$1,000) if a joint
26 return;

27 (ii) The following shall not be considered contributions:

28 (A) Contributions made by any person to an account who is not a participant of the account
29 at the time the contribution is made;

30 (B) Transfers or rollovers to an account from any other tuition savings program account or
31 from any other "qualified tuition program" under section 529 of the Internal Revenue Code, 26
32 U.S.C. § 529; or

33 (C) A change of the beneficiary of the account;

34 (iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal

1 adjusted gross income to less than zero (0);

2 (iv) The contributions carryover to a taxable year for purpose of this subdivision is the
3 excess, if any, of the total amount of contributions actually made by the taxpayer to the tuition
4 savings program for all preceding taxable years for which this subsection is effective over the sum
5 of:

6 (A) The total of the subtractions under this subdivision allowable to the taxpayer for all
7 such preceding taxable years; and

8 (B) That part of any remaining contribution carryover at the end of the taxable year which
9 exceeds the amount of any nonqualified withdrawals during the year and the prior two (2) taxable
10 years not included in the addition provided for in this subdivision for those years. Any such part
11 shall be disregarded in computing the contributions carryover for any subsequent taxable year;

12 (v) For any taxable year for which a contributions carryover is applicable, the taxpayer
13 shall include a computation of the carryover with the taxpayer's Rhode Island personal income tax
14 return for that year, and if for any taxable year on which the carryover is based the taxpayer filed a
15 joint Rhode Island personal income tax return but filed a return on a basis other than jointly for a
16 subsequent taxable year, the computation shall reflect how the carryover is being allocated between
17 the prior joint filers; and

18 (5) The modification described in § 44-30-25.1(d)(1).

19 (6) Amounts deemed taxable income to the taxpayer due to payment or provision of
20 insurance benefits to a dependent, including a domestic partner pursuant to chapter 12 of title 36 or
21 other coverage plan.

22 (7) Modification for organ transplantation.

23 (i) An individual may subtract up to ten thousand dollars (\$10,000) from federal adjusted
24 gross income if he or she, while living, donates one or more of his or her human organs to another
25 human being for human organ transplantation, except that for purposes of this subsection, "human
26 organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract
27 modification that is claimed hereunder may be claimed in the taxable year in which the human
28 organ transplantation occurs.

29 (ii) An individual may claim that subtract modification hereunder only once, and the
30 subtract modification may be claimed for only the following unreimbursed expenses that are
31 incurred by the claimant and related to the claimant's organ donation:

32 (A) Travel expenses.

33 (B) Lodging expenses.

34 (C) Lost wages.

1 (iii) The subtract modification hereunder may not be claimed by a part-time resident or a
2 nonresident of this state.

3 (8) Modification for taxable Social Security income.

4 (i) For tax years beginning on or after January 1, 2016:

5 (A) For a person who has attained the age used for calculating full or unreduced social
6 security retirement benefits who files a return as an unmarried individual, head of household or
7 married filing separate whose federal adjusted gross income for such taxable year is less than eighty
8 thousand dollars (\$80,000); or

9 (B) A married individual filing jointly or individual filing qualifying widow(er) who has
10 attained the age used for calculating full or unreduced social security retirement benefits whose
11 joint federal adjusted gross income for such taxable year is less than one hundred thousand dollars
12 (\$100,000), an amount equal to the social security benefits includable in federal adjusted gross
13 income.

14 (ii) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
15 12(c)(8)(i)(A) and 44-30-12(c)(8)(i)(B) shall be increased annually by an amount equal to:

16 (A) Such dollar amount contained in subparagraphs 44-30-12(c)(8)(i)(A) and 44-30-
17 12(c)(8)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

18 (B) The cost-of-living adjustment with a base year of 2000.

19 (iii) For the purposes of this section the cost-of-living adjustment for any calendar year is
20 the percentage (if any) by which the consumer price index for the preceding calendar year exceeds
21 the consumer price index for the base year. The consumer price index for any calendar year is the
22 average of the consumer price index as of the close of the twelve (12) month period ending on
23 August 31, of such calendar year.

24 (iv) For the purpose of this section the term "consumer price index" means the last
25 consumer price index for all urban consumers published by the department of labor. For the purpose
26 of this section the revision of the consumer price index which is most consistent with the consumer
27 price index for calendar year 1986 shall be used.

28 (v) If any increase determined under this section is not a multiple of fifty dollars (\$50.00),
29 such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a
30 married individual filing separate return, if any increase determined under this section is not a
31 multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple
32 of twenty-five dollars (\$25.00).

33 (9) Modification for up to fifteen thousand dollars (\$15,000) of taxable retirement income
34 from certain pension plans or annuities.

1 (i) For tax years beginning on or after January 1, 2017, a modification shall be allowed for
2 up to fifteen thousand dollars (\$15,000) of taxable pension and/or annuity income that is included
3 in federal adjusted gross income for the taxable year:

4 (A) For a person who has attained the age used for calculating full or unreduced social
5 security retirement benefits who files a return as an unmarried individual, head of household, or
6 married filing separate whose federal adjusted gross income for such taxable year is less than the
7 amount used for the modification contained in § 44-30-12(c)(8)(i)(A) an amount not to exceed
8 \$15,000 of taxable pension and/or annuity income includable in federal adjusted gross income; or

9 (B) For a married individual filing jointly or individual filing qualifying widow(er) who
10 has attained the age used for calculating full or unreduced social security retirement benefits whose
11 joint federal adjusted gross income for such taxable year is less than the amount used for the
12 modification contained in § 44-30-12(c)(8)(i)(B) an amount not to exceed \$15,000 of taxable
13 pension and/or annuity income includable in federal adjusted gross income.

14 (ii) Adjustment for inflation. The dollar amount contained by reference in §§ 44-30-
15 12(c)(9)(i)(A) and 44-30-12(c)(9)(i)(B) shall be increased annually for tax years beginning on or
16 after January 1, 2018 by an amount equal to:

17 (A) Such dollar amount contained by reference in §§ 44-30-12(c)(9)(i)(A) and 44-30-
18 12(c)(9)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

19 (B) The cost-of-living adjustment with a base year of 2000.

20 (iii) For the purposes of this section, the cost-of-living adjustment for any calendar year is
21 the percentage (if any) by which the consumer price index for the preceding calendar year exceeds
22 the consumer price index for the base year. The consumer price index for any calendar year is the
23 average of the consumer price index as of the close of the twelve-month (12) period ending on
24 August 31, of such calendar year.

25 (iv) For the purpose of this section, the term "consumer price index" means the last
26 consumer price index for all urban consumers published by the department of labor. For the purpose
27 of this section, the revision of the consumer price index which is most consistent with the consumer
28 price index for calendar year 1986 shall be used.

29 (v) If any increase determined under this section is not a multiple of fifty dollars (\$50.00),
30 such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a
31 married individual filing a separate return, if any increase determined under this section is not a
32 multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple
33 of twenty-five dollars (\$25.00).

34 [\(10\) Modification for Rhode Island investment in opportunity zones. For purposes of a](#)

1 [taxpayer's state tax liability, in the case of any investment in a Rhode Island opportunity zone by](#)
2 [the taxpayer for at least seven \(7\) years, a modification to income shall be allowed for the](#)
3 [incremental difference between the benefit allowed under 26 U.S.C. 1400Z-2\(b\)\(2\)\(B\)\(iv\) and the](#)
4 [federal benefit allowed under 12 U.S.C. 1400Z-2\(c\).](#)

5 (d) Modification for Rhode Island fiduciary adjustment. There shall be added to, or
6 subtracted from, federal adjusted gross income (as the case may be) the taxpayer's share, as
7 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-
8 30-17.

9 (e) Partners. The amounts of modifications required to be made under this section by a
10 partner, which relate to items of income or deduction of a partnership, shall be determined under §
11 44-30-15.

12 SECTION 24. Section 44-32-3 of the General Laws in Chapter 44-32 entitled "Elective
13 Deduction for Research and Development Facilities" is hereby amended to read as follows:

14 **44-32-3. Credit for qualified research expenses.**

15 (a) A taxpayer shall be allowed a credit against the tax imposed by chapters 11, 17 or 30
16 of this title. The amount of the credit shall be five percent (5%)(and in the case of amounts paid or
17 accrued after January 1, 1998, twenty-two and one-half percent (22.5%) for the first twenty-five
18 thousand dollars (\$25,000) worth of credit and sixteen and nine-tenths percent (16.9%) for the
19 amount of credit above twenty-five thousand dollars (\$25,000)) of the excess, if any, of:

- 20 (1) The qualified research expenses for the taxable year, over
21 (2) The base period research expenses.

22 (b)(1) "Qualified research expenses" and "base period research expenses" have the same
23 meaning as defined in 26 U.S.C. § 41; provided, that the expenses have been incurred in this state
24 after July 1, 1994.

25 (2) Notwithstanding the provisions of subdivision (1) of this subsection, "qualified research
26 expenses" also includes amounts expended for research by property and casualty insurance
27 companies into methods and ways of preventing or reducing losses from fire and other perils.

28 (c) The credit allowed under this section for any taxable year shall not reduce the tax due
29 for that year by more than fifty percent (50%) of the tax liability that would be payable, and in the
30 case of corporations, to less than the minimum fixed by § 44-11-2(e). If the amount of credit
31 allowable under this section for any taxable year is less than the amount of credit available to the
32 taxpayer any amount of credit not credited in that taxable year may be carried over to the following
33 year or years, [and may be credited against the taxpayer's tax liability for that year or years](#) up to a
34 maximum of seven (7) years; ~~and may be credited against the taxpayer's tax for that year or years~~

1 provided, however, that tax credits generated pursuant to this section on or after July 1, 2019 may
2 be carried over to the following year or years, and may be credited against the taxpayer's tax
3 liability for that year or years up to a maximum of fifteen (15) years. For purposes of chapter 30 of
4 this title, if the credit allowed under this section for any taxable year exceeds the taxpayer's tax for
5 that year, the amount of credit not credited in that taxable year may be carried over to the following
6 year or years, up to a maximum of seven (7) years, ~~and may be credited against the taxpayer's tax~~
7 ~~for that year or years.~~ For purposes of determining the order in which carry-overs are taken into
8 consideration, the credit allowed by § 44-32-2 is taken into account before the credit allowed under
9 this section.

10 (d) The investment tax credit allowed by § 44-31-1 shall be taken into account before the
11 credit allowed under this section.

12 (e) The credit allowed under this section shall only be allowed against the tax of that
13 corporation included in a consolidated return that qualifies for the credit and not against the tax of
14 other corporations that may join in the filing of a consolidated return.

15 (f) In the event the taxpayer is a partnership, joint venture or small business corporation,
16 the credit is divided in the same manner as income.

17 SECTION 25. Section 44-32 of the General Laws entitled "Elective Deduction for
18 Research and Development Facilities" is hereby amended by adding thereto the following section:

19 **44-32-3.1. Transferable credit for qualified research expenses.**

20 (a) On or after July 1, 2019, a taxpayer that is an early stage company or a company
21 substantially increasing its investment in research and development in this state may apply to the
22 commerce corporation for a tax credit of up to twenty-two and one-half percent (22.5%) of qualified
23 research expenses.

24 (b) The tax credits awarded under this section shall not exceed one million three hundred
25 thousand dollars annually.

26 (c) For purposes of this section the following definitions apply:

27 (1) Commerce corporation means the Rhode Island commerce corporation established
28 pursuant to § 42-64-1 et seq.

29 (2) "Company substantially increasing its investment in research and development in the
30 state" has the meaning prescribed to it in the regulations promulgated pursuant to subsection (e).

31 (3) "Early stage company" has the meaning prescribed to it in the regulations promulgated
32 pursuant to subsection (e).

33 (4) "Qualified research expenses" has the same meaning prescribed to it in § 44-32-3(b)(1).

34 (5) "Substantially increase" or "substantially increasing" means (i) an increase in

1 qualifying expenditures in the state in an amount that the commerce corporation prescribes pursuant
2 to the regulations promulgated pursuant to subsection (e); and (ii) those additional qualifications
3 that the commerce corporation prescribes pursuant to the regulations promulgated pursuant to
4 subsection (e).

5 (d) If a taxpayer is awarded a tax credit pursuant to this section, the taxpayer may either
6 (1) apply the tax credit, in whole or in part, to the taxpayer's tax liability; or (2) if the taxpayer has
7 not claimed in whole or in part, the taxpayer awarded the tax credit may sell, assign, transfer, or
8 convey the tax credit consistent with the regulations promulgated pursuant to subsection (e). If the
9 taxpayer applies the tax credit to the taxpayer's tax liability and the amount of credit applied for
10 any taxable year is less than the amount of credit available to the taxpayer, any amount of credit
11 not credited in that taxable year may be carried over to the following year or years, up to a maximum
12 of fifteen (15) years, and may be credited against the taxpayer's tax for that year or years.

13 (e) The commerce corporation shall promulgate rules and regulations necessary for the
14 award of tax credits pursuant to this section. Further, the commerce corporation, in consultation
15 with the division of taxation, shall establish, by regulation, the process for the assignment, transfer,
16 or conveyance of tax credits. The commerce corporation shall consider applications for tax credits
17 under this section on a competitive basis, which the commerce corporation shall determine in its
18 sole discretion. Any assignment or sales proceeds received by the taxpayer for its assignment or
19 sale of the tax credits allowed pursuant to subsection (d) shall be exempt from taxation under title
20 44.

21 (f) Taxpayers who are awarded and claim tax credits under this section are ineligible for
22 any tax credits that may also be available to the taxpayer under 44-32-3 for qualified research
23 expenses incurred on or after July 1, 2019.

24 (g) Any tax credit approved by the commerce corporation pursuant to this section and used
25 by the taxpayer pursuant to subsection (d) shall be taken into account after the credit allowed under
26 § 44-32-3 if such credit is claimed by the taxpayer.

27 (h) The commerce corporation shall annually submit a report regarding the awards made
28 and accepted pursuant to section to the governor, the speaker of the house of representatives, the
29 president of the senate, the chairpersons of the house and senate finance committees, the house and
30 senate fiscal advisors, the division of taxation and the department of revenue.

31 (i) Any taxpayer receiving tax credits pursuant to section shall make annual reports to the
32 commerce corporation as the commerce corporation prescribes in the regulations promulgated
33 pursuant to subsection (e).

34 (j) No tax credits shall be authorized under section after December 31, 2023.

1 SECTION 26. Section 44-48.3-3 of the General Laws in Chapter 44-48.3 entitled "Rhode
2 Island Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

3 **44-48.3-3. Definitions.**

4 As used in this chapter, unless the context clearly indicates otherwise, the following words
5 and phrases shall have the following meanings:

6 (1) "Affiliate" or "affiliated entity" means an entity that directly or indirectly controls, is
7 under common control with, or is controlled by the business. Control exists in all cases in which
8 the entity is a member of an affiliated group of corporations as defined pursuant to § 1504 of the
9 Internal Revenue Code of 1986 (26 U.S.C. § 1504) or the entity is an organization in a group of
10 organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the
11 Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and
12 convincing evidence, as determined by the commerce corporation, that control exists in situations
13 involving lesser percentages of ownership than required by those statutes. An affiliate of a business
14 may contribute to meeting full-time employee requirements of a business that applies for a credit
15 under this chapter.

16 (2) "Business" means an applicant that is a corporation, state bank, federal savings bank,
17 trust company, national banking association, bank holding company, loan and investment
18 company, mutual savings bank, credit union, building and loan association, insurance company,
19 investment company, broker-dealer company or surety company, limited liability company,
20 partnership or sole proprietorship.

21 (3) "Commerce corporation" means the Rhode Island commerce corporation established
22 pursuant to chapter 64 of title 42.

23 (4) "Commitment period" means the period of time that at a minimum is twenty percent
24 (20%) greater than the eligibility period.

25 (5) "Eligibility period" means the period in which a business may claim a tax credit under
26 the program, beginning at the end of the tax period in which the commerce corporation issues a
27 certification for the business that it has met the employment requirements of the program and
28 extending thereafter for a term of not more than ten (10) years.

29 (6) "Eligible position" or "full-time job" means a full-time position in a business which has
30 been filled with a full-time employee who earns no less than the median hourly wage as reported
31 by the United States Bureau of Labor Statistics for the state of Rhode Island, provided, that for
32 economically fragile industries such as manufacturing, the commerce corporation may reduce the
33 wage threshold. An economically fragile industry shall not include retail.

34 (7) "Full-time employee" means a person who is employed by a business for consideration

1 for at least thirty-five (35) hours a week, or who is employed by a professional employer
2 organization pursuant to an employee leasing agreement between the business and the professional
3 employer organization for at least thirty-five (35) hours a week, and whose wages are subject to
4 withholding.

5 (8) "Hope community" means municipalities with a percentage of families below the
6 poverty level that is greater than the percentage of families below the poverty level for the state as
7 a whole as determined by the United States Census Bureau's most recent American Community
8 Survey.

9 (9) "Incentive agreement" means the contract between the business and the commerce
10 corporation, which sets forth the terms and conditions under which the business shall be eligible to
11 receive the incentives authorized pursuant to the program.

12 (10) "Incentive effective date" means the date the commerce corporation issues a
13 certification for issuance of tax credit based on documentation submitted by a business pursuant to
14 § 44-48.3-7.

15 (11) "Major economic development opportunity" means the expansion or relocation of a
16 business in a targeted industry where at least fifty-one percent of new full-time jobs are classified
17 as high wage as defined by the commerce corporation and where the expansion or relocation meets
18 additional criteria established by the commerce corporation which shall include but not be limited
19 to: (i) the creation of a minimum of 100 new full-time jobs in the state; or (ii) the relocation or
20 establishment of a regional or national headquarters or other major corporate hub in the state.

21 ~~(12)~~ "New full-time job" means an eligible position created by the business that did not
22 previously exist in this state and which is created after approval of an application to the commerce
23 corporation under the program. Such job position cannot be the result of an acquisition of an
24 existing company located in Rhode Island by purchase, merger, or otherwise. For the purposes of
25 determining the number of new full-time jobs, the eligible positions of an affiliate shall be
26 considered eligible positions of the business so long as such eligible position(s) otherwise meets
27 the requirements of this section.

28 ~~(13)~~ "Partnership" means an entity classified as a partnership for federal income tax
29 purposes.

30 ~~(14)~~ "Program" means the incentive program established pursuant to this chapter.

31 (15) "Targeted industry" means any industry identified in the economic development vision
32 and policy promulgated under § 42-64.17-1 or, until such time as any economic development vision
33 and policy is promulgated, as identified by the commerce corporation.

34 ~~(16)~~ "Taxpayer" means a business granted a tax credit under this chapter or such person

1 entitled to the tax credit because the business is a pass through entity such as a partnership, S
2 corporation, sole proprietorship or limited liability company taxed as a partnership.

3 (17~~6~~) "Transit oriented development area" means an area in proximity to mass-transit
4 infrastructure including, but not limited to, an airport, rail or intermodal facility that will be further
5 defined by regulation of the commerce corporation in consultation with the Rhode Island
6 department of transportation.

7 SECTION 27. Section 44-48.3-6 of the General Laws in Chapter 44-48.3 entitled "Rhode
8 Island Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

9 **44-48.3-6. Total amount of tax credit for eligible business.**

10 (a) The base amount of the tax credit for an eligible business for each new full-time job
11 shall be up to two thousand five hundred dollars (\$2,500) annually.

12 (b) The total tax credit amount shall be calculated and credited to the business annually for
13 each year of the eligibility period after the commerce corporation, in consultation with the division
14 of taxation, has verified that the jobs covered by the tax credit have generated sufficient personal
15 income taxes to comply with subsection (e) of this section.

16 (c) In addition to the base amount of the tax credit, the amount of the tax credit to be
17 awarded for each new full-time job may be increased, pursuant to the provisions of subsection (d)
18 of this section, if the business meets any of the following criteria or such other additional criteria
19 determined by the commerce corporation from time to time in response to evolving economic or
20 market conditions:

- 21 (1) For a business located within a hope community;
- 22 (2) For a targeted industry;
- 23 (3) For a business located within a transit oriented development area; and
- 24 (4) For an out-of-state business that relocates a business unit or units or creates a significant
25 number of new full-time jobs during the commitment period.

26 (d) For any application made to the commerce corporation from 2015 through June 30,
27 201~~8~~9, the tax credit for an eligible business for each new full-time job shall not exceed seven
28 thousand five hundred dollars (\$7,500) annually. For any application made to the commerce
29 corporation on or after July 1, 2019, the tax credit for an eligible business for each new full-time
30 job shall not exceed six thousand five hundred dollars (\$6,500) annually; provided, however, that
31 a tax credit awarded to an eligible business for each full-time job may exceed such maximum up to
32 \$7,500 annually so long as the commerce corporation, in its discretion, considers the eligible
33 business a major economic development opportunity.

34 (e) Notwithstanding the provisions of subsections (a) through (d) of this section, for each

1 application approved by the commerce corporation, the amount of tax credits available to be
2 obtained by the business annually shall not exceed the reasonable W-2 withholding received by the
3 state for each new full-time job created by a business for applications received by the commerce
4 corporation in 2015 through 2018.

5 (f) The commerce corporation shall establish regulations regarding the conditions under
6 which a business may submit more than one application for tax credits over time. The commerce
7 corporation may place limits on repeat applications.

8 SECTION 28. Section 44-48.3-14 of the General Laws in Chapter 44-48.3 entitled "Rhode
9 Island Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

10 **44-48.3-14. Sunset.**

11 No credits shall be authorized to be reserved pursuant to this chapter after [December 31,](#)
12 [2023](#) ~~June 30, 2020~~.