STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO TAXATION -- TAX CREDIT FOR WAGE PAYMENTS

Introduced By: Senators Raptakis, Lombardi, Paolino, Lombardo, and Ciccone
Date Introduced: January 26, 2021
Referred To: Senate Labor

It is enacted by the General Assembly as follows:

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

CHAPTER 70

TAX CREDIT FOR WAGE PAYMENTS

44-70-1. Tax credit for payment of wages.

In order to assist employers in maintaining employees on their payroll, and businesses
which employ and retain employees in the state of Rhode Island, there is established a tax credit
for payment of wages at or in excess of minimum wage requirements at or exceeding eleven dollars
and fifty cents ($11.50) per hour. This credit is in addition to all other deductions and credits
authorized by law.

44-70-2. Application and calculation of credit.

A business whose employees are compensated on an hourly basis shall be entitled to claim
the following tax credit under the following circumstances:

(1) On the effective date that an employer shall pay his or her employees a minimum wage
of eleven dollars and fifty cents ($11.50) per hour pursuant to the provisions of §28-12-3, a tax
credit of one dollar is authorized for each hour of wages paid.

(2) On the effective date that an employer shall pay his or her employees a minimum wage
of thirteen dollars ($13.00) per hour pursuant to the provisions of §28-12-3, a tax credit of two
dollars ($2.00) is authorized for each hour of wages paid.
(3) On the effective date that an employer shall pay his or her employees a minimum wage of fourteen dollars ($14.00) or more per hour pursuant to the provisions of §28-12-3, a tax credit of three dollars ($3.00) is authorized for each hour of wages paid.

44-70-3. Rules and regulations.

The tax administrator shall promulgate rules and regulations for the implementation of the provisions of this chapter.

SECTION 2. This act shall take effect upon passage.
This act would provide tax credits for businesses as minimum wage benchmarks are reached or adopted in the future. The benchmarks are as follows:

1. Eleven dollars and fifty cents ($11.50) - tax credit of one dollar ($1.00) per hour of wages paid.
2. Thirteen dollars ($13.00) – tax credit of two dollars ($2.00) per hour of wages paid.
3. Fourteen dollars ($14.00) – tax credit of three dollars ($3.00) per hour of wages paid.

This act would take effect upon passage.