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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO TAXATION - STAY INVESTED IN RI WAVEMAKER FELLOWSHIP

Introduced By: Senators Pearson, Valverde, and Seveney

Date Introduced: February 18, 2021

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 42-64.26 of the General Laws entitled "Stay Invested in RI  
2 Wavemaker Fellowship" is hereby repealed in its entirety.

3 ~~CHAPTER 42-64.26~~

4 ~~Stay Invested in RI Wavemaker Fellowship~~

5 ~~42-64.26-1. Short title.~~

6 ~~This chapter shall be known as the "Stay Invested in RI Wavemaker Fellowship."~~

7 ~~42-64.26-2. Legislative findings.~~

8 ~~The general assembly finds and declares:~~

9 ~~(1) A well educated citizenry is critical to this state's ability to compete in the national and~~  
10 ~~global economies.~~

11 ~~(2) Higher education both benefits individual students and is a public good benefitting the~~  
12 ~~state as a whole.~~

13 ~~(3) Excessive student loan debt is impeding economic growth in this state. Faced with~~  
14 ~~excessive repayment burdens, many individuals are unable to start businesses, invest or buy homes,~~  
15 ~~and may be forced to leave the state in search of higher paying jobs elsewhere.~~

16 ~~(4) Relieving student loan debt would give these individuals greater control over their~~  
17 ~~earnings, would increase entrepreneurship and demand for goods and services, and would enable~~  
18 ~~employers in this state to recruit and retain graduates in the fields of science, technology,~~  
19 ~~engineering and mathematics.~~

1 ~~(5) The Stay Invested in RI Wavemaker Fellowship is designed to achieve the following~~  
2 ~~goals:~~

3 ~~(i) Promote economic opportunity for people in this state by ensuring access to the training~~  
4 ~~and higher education that higher paying jobs require;~~

5 ~~(ii) Bring more and higher paying jobs to this state by increasing the skill level of this~~  
6 ~~state's workforce;~~

7 ~~(iii) Offer educational opportunity and retraining to individuals impacted by job loss,~~  
8 ~~workplace injury, disability or other hardship;~~

9 ~~(iv) Keep young people in the state through incentives for educational opportunity and~~  
10 ~~creation of more high paying jobs;~~

11 ~~(v) Encourage an entrepreneurial economy in Rhode Island; and~~

12 ~~(vi) Accomplish all of the goals in this chapter with as little bureaucracy as possible.~~

13 **42-64.26-3. Definitions.**

14 ~~As used in this chapter:~~

15 ~~(1) "Eligible graduate" means an individual who meets the eligibility requirements under~~  
16 ~~this chapter.~~

17 ~~(2) "Applicant" means an eligible graduate who applies for a tax credit for education loan~~  
18 ~~repayment expenses under this chapter.~~

19 ~~(3) "Award" means a tax credit awarded by the commerce corporation to an applicant as~~  
20 ~~provided under this chapter.~~

21 ~~(4) "Taxpayer" means an applicant who receives a tax credit under this chapter.~~

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

24 ~~(6) "Eligible expenses" or "education loan repayment expenses" means annual higher~~  
25 ~~education loan repayment expenses, including, without limitation, principal, interest and fees, as~~  
26 ~~may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to~~  
27 ~~repay for attendance at a post-secondary institution of higher learning.~~

28 ~~(7) "Eligibility period" means a term of up to four (4) consecutive service periods beginning~~  
29 ~~with the date that an eligible graduate receives initial notice of award under this chapter and~~  
30 ~~expiring at the conclusion of the fourth service period after such date specified.~~

31 ~~(8) "Eligibility requirements" means the following qualifications or criteria required for an~~  
32 ~~applicant to claim an award under this chapter:~~

33 ~~(i) That the applicant shall have graduated from an accredited two (2) year, four (4) year~~  
34 ~~or graduate post-secondary institution of higher learning with an associate's, bachelor's, graduate,~~

1 ~~or post-graduate degree and at which the applicant incurred education loan repayment expenses;~~

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

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

14 ~~(10) "Service period" means a twelve (12) month period beginning on the date that an~~  
15 ~~eligible graduate receives initial notice of award under this chapter.~~

16 ~~(11) "Student loan" means a loan to an individual by a public authority or private lender to~~  
17 ~~assist the individual to pay for tuition, books, and living expenses in order to attend a post-~~  
18 ~~secondary institution of higher learning.~~

19 ~~(12) "Rhode Island-based employer" means (i) an employer having a principal place of~~  
20 ~~business or at least fifty-one percent (51%) of its employees located in this state; or (ii) an employer~~  
21 ~~registered to conduct business in this state that reported Rhode Island tax liability in the previous~~  
22 ~~tax year.~~

23 ~~(13) "Fund" refers to the "Stay Invested in RI Wavemaker Fellowship Fund" established~~  
24 ~~pursuant to § 42-64.26-4.~~

25 ~~**42-64.26-4. Establishment of fund -- Purposes -- Composition.**~~

26 ~~(a) There is hereby established the "Stay Invested in RI Wavemaker Fellowship Fund" (the~~  
27 ~~"fund") to be administered by the commerce corporation as set forth in this chapter.~~

28 ~~(b) The purpose of the fund is to expand employment opportunities in the state and to retain~~  
29 ~~talented individuals in the state by providing tax credits in relation to education loan repayment~~  
30 ~~expenses to applicants who meet the eligibility requirements under this chapter.~~

31 ~~(c) The fund shall consist of:~~

32 ~~(1) Money appropriated in the state budget to the fund;~~

33 ~~(2) Money made available to the fund through federal programs or private contributions;~~

34 ~~and~~

1           ~~(3) Any other money made available to the fund.~~

2           ~~(d) The fund shall be used to pay for the redemption of tax credits or reimbursement to the~~  
3 ~~state for tax credits applied against a taxpayer's tax liability. The fund shall be exempt from~~  
4 ~~attachment, levy or any other process at law or in equity. The director of the department of revenue~~  
5 ~~shall make a requisition to the commerce corporation for funding during any fiscal year as may be~~  
6 ~~necessary to pay for the redemption of tax credits presented for redemption or to reimburse the state~~  
7 ~~for tax credits applied against a taxpayer's tax liability. The commerce corporation shall pay from~~  
8 ~~the fund such amounts as requested by the director of the department of revenue necessary for~~  
9 ~~redemption or reimbursement in relation to tax credits granted under this chapter.~~

10           ~~**42-64.26-5. Administration.**~~

11           ~~(a) Application. An eligible graduate claiming an award under this chapter shall submit to~~  
12 ~~the commerce corporation an application in the manner that the commerce corporation shall~~  
13 ~~prescribe.~~

14           ~~(b) Upon receipt of a proper application from an applicant who meets all of the eligibility~~  
15 ~~requirements, the commerce corporation shall select applicants on a competitive basis to receive~~  
16 ~~credits for up to a maximum amount for each service period of one thousand dollars (\$1,000) for~~  
17 ~~an associate's degree holder, four thousand dollars (\$4,000) for a bachelor's degree holder, and six~~  
18 ~~thousand dollars (\$6,000) for a graduate or post-graduate degree holder, but not to exceed the~~  
19 ~~education loan repayment expenses incurred by such taxpayer during each service period~~  
20 ~~completed, for up to four (4) consecutive service periods provided that the taxpayer continues to~~  
21 ~~meet the eligibility requirements throughout the eligibility period. The commerce corporation shall~~  
22 ~~delegate the selection of the applicants that are to receive awards to a fellowship committee to be~~  
23 ~~convened by the commerce corporation and promulgate the selection procedures the fellowship~~  
24 ~~committee will use, which procedures shall require that the committee's consideration of~~  
25 ~~applications be conducted on a name-blind and employer-blind basis and that the applications and~~  
26 ~~other supporting documents received or reviewed by the fellowship committee shall be redacted of~~  
27 ~~the applicant's name, street address, and other personally identifying information as well as the~~  
28 ~~applicant's employer's name, street address, and other employer identifying information. The~~  
29 ~~commerce corporation shall determine the composition of the fellowship committee and the~~  
30 ~~selection procedures it will use in consultation with the state's chambers of commerce.~~

31           ~~(c) The credits awarded under this chapter shall not exceed one hundred percent (100%) of~~  
32 ~~the education loan repayment expenses incurred by such taxpayer during each service period~~  
33 ~~completed for up to four (4) consecutive service periods. Tax credits shall be issued annually to the~~  
34 ~~taxpayer upon proof that (i) the taxpayer has actually incurred and paid such education loan~~

1 ~~repayment expenses; (ii) the taxpayer continues to meet the eligibility requirements throughout the~~  
2 ~~service period; (iii) The award shall not exceed the original loan amount plus any capitalized~~  
3 ~~interest less award previously claimed under this section; and (iv) that the taxpayer claiming an~~  
4 ~~award is current on his or her student loan repayment obligations.~~

5 ~~(d) The commerce corporation shall not commit to overall awards in excess of the amount~~  
6 ~~contained in the fund.~~

7 ~~(e) The commerce corporation shall reserve seventy percent (70%) of the awards issued in~~  
8 ~~a calendar year to applicants who are permanent residents of the state of Rhode Island or who~~  
9 ~~attended an institution of higher education located in Rhode Island when they incurred the~~  
10 ~~education loan expenses to be repaid.~~

11 ~~(f) In administering award, the commerce corporation shall:~~

12 ~~(1) Require suitable proof that an applicant meets the eligibility requirements for award~~  
13 ~~under this chapter;~~

14 ~~(2) Determine the contents of applications and other materials to be submitted in support~~  
15 ~~of an application for award under this chapter; and~~

16 ~~(3) Collect reports and other information during the eligibility period for each award to~~  
17 ~~verify that a taxpayer continues to meet the eligibility requirements for an award.~~

18 **42-64.26-6. Reporting.**

19 ~~(a) The commerce corporation shall require taxpayers to submit annual reports, in such~~  
20 ~~form and on such dates as the commerce corporation shall require, in order to confirm that the~~  
21 ~~taxpayer continues to meet all of the eligibility requirements of this chapter and as a prerequisite to~~  
22 ~~funding any award of tax credits under this chapter.~~

23 ~~(b) Notwithstanding any other provision of law, no taxpayer shall receive an award without~~  
24 ~~first consenting to the public disclosure of the receipt of any award given under this chapter. The~~  
25 ~~commerce corporation shall annually publish a list of taxpayers receiving awards under this~~  
26 ~~program, their post-secondary institution of higher learning, and their employer on the commerce~~  
27 ~~corporation website and in such other locations as it deems appropriate.~~

28 **42-64.26-7. Remedies.**

29 ~~(a) If an eligible graduate receiving an award under this chapter violates any provision of~~  
30 ~~this chapter or ceases to meet the eligibility requirements of this chapter, the commerce corporation~~  
31 ~~may, on reasonable notice:~~

32 ~~(1) Withhold further award until the taxpayer complies with the eligibility or other~~  
33 ~~requirements of the award; or~~

34 ~~(2) Terminate the award.~~

1 ~~**42-64.26-8. Carry forward and redemption of tax credits.**~~

2 ~~(a) If the amount of the tax credit allowed under this chapter exceeds the taxpayer's total~~  
3 ~~tax liability for the year in which the credit is allowed, the amount of such credit that exceeds the~~  
4 ~~taxpayer's tax liability may be carried forward and applied against the taxes imposed for the~~  
5 ~~succeeding four (4) years, or until the full credit is used, whichever occurs first.~~

6 ~~(b) The tax credit allowed under this chapter may be used as a credit against personal~~  
7 ~~income taxes imposed under chapter 30 of title 44.~~

8 ~~(c) The division of taxation shall at the request of a taxpayer redeem such credits in whole~~  
9 ~~or in part for one hundred percent (100%) of the value of the tax credit.~~

10 ~~(d) Any amounts paid to a taxpayer for the redemption of tax credits allowed pursuant to~~  
11 ~~this section shall be exempt from taxation under title 44 of the General Laws.~~

12 ~~**42-64.26-9. Implementation guidelines, rules, regulations.**~~

13 ~~(a) The commerce corporation may adopt implementation guidelines, rules, and regulations~~  
14 ~~pursuant to § 42-35-3 as are necessary for the implementation of this chapter.~~

15 ~~(b) The commerce corporation shall adopt guidelines to assure integrity and eliminate~~  
16 ~~potential conflicts of interest in the issuing of awards.~~

17 ~~(c) The division of taxation may adopt implementation guidelines, directives, criteria, and~~  
18 ~~rules and regulations pursuant to section 42-35-3 of the General Laws, as are necessary for the~~  
19 ~~implementation of the division's responsibilities under this chapter.~~

20 ~~**42-64.26-10. Promotion by state agencies.**~~

21 ~~(a) The commerce corporation and any other agencies engaging in education related~~  
22 ~~outreach shall integrate promotion of the program into existing educational opportunity outreach~~  
23 ~~efforts to the extent possible in a manner consistent with the scope of the program and its centrality~~  
24 ~~to the state's efforts to raise educational attainment, including, without limitation, promoting the~~  
25 ~~program to Rhode Island permanent residents who enroll in accredited Rhode Island colleges or~~  
26 ~~universities and receive financial aid in the form of student loans.~~

27 ~~**42-64.26-11. Program integrity.**~~

28 ~~Program integrity being of paramount importance, the commerce corporation shall~~  
29 ~~establish procedures to ensure ongoing compliance with the terms and conditions of the program~~  
30 ~~established herein and to safeguard the expenditure of public funds.~~

31 ~~**42-64.26-12. Sunset.**~~

32 ~~No incentives or credits shall be authorized pursuant to this chapter after December 31,~~  
33 ~~2018.~~

34 SECTION 2. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled "Personal

1 Income Tax" is hereby amended to read as follows:

2 **44-30-2.6. Rhode Island taxable income -- Rate of tax.**

3 (a) "Rhode Island taxable income" means federal taxable income as determined under the  
4 Internal Revenue Code, 26 U.S.C. § 1 et seq., not including the increase in the basic, standard-  
5 deduction amount for married couples filing joint returns as provided in the Jobs and Growth Tax  
6 Relief Reconciliation Act of 2003 and the Economic Growth and Tax Relief Reconciliation Act of  
7 2001 (EGTRRA), and as modified by the modifications in § 44-30-12.

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

20 (c) For tax years beginning on or after January 1, 2001, if a taxpayer has an alternative  
21 minimum tax for federal tax purposes, the taxpayer shall determine if he or she has a Rhode Island  
22 alternative minimum tax. The Rhode Island alternative minimum tax shall be computed by  
23 multiplying the federal tentative minimum tax without allowing for the increased exemptions under  
24 the Jobs and Growth Tax Relief Reconciliation Act of 2003 (as redetermined on federal form 6251  
25 Alternative Minimum Tax-Individuals) by twenty-five and one-half percent (25.5%) for tax year  
26 2001, and twenty-five percent (25%) for tax year 2002 and thereafter, and comparing the product  
27 to the Rhode Island tax as computed otherwise under this section. The excess shall be the taxpayer's  
28 Rhode Island alternative minimum tax.

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

33 (2) For the period January 1, 2007, through December 31, 2007, and thereafter, Rhode  
34 Island taxable income shall be determined by deducting from federal adjusted gross income as

1 defined in 26 U.S.C. § 62 as modified by the modifications in § 44-30-12 the Rhode Island  
2 itemized-deduction amount and the Rhode Island exemption amount as determined in this section.

3 (A) Tax imposed.

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

6 If taxable income is:	The tax is:
7 Not over \$53,150	3.75% of taxable income
8 Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
9 Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
10 Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
11 Over \$349,700	\$26,333.75 plus 9.90% of the excess over \$349,700

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

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

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

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

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

31 If taxable income is:	The tax is:
32 Not over \$26,575	3.75% of taxable income
33 Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
34 Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250

1	Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
2	Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850
3	(5) There is hereby imposed a taxable income of an estate or trust a tax determined in	
4	accordance with the following table:	
5	If taxable income is:	The tax is:
6	Not over \$2,150	3.75% of taxable income
7	Over \$2,150 but not over \$5,000	\$80.63 plus 7.00% of the excess over \$2,150
8	Over \$5,000 but not over \$7,650	\$280.13 plus 7.75% of the excess over \$5,000
9	Over \$7,650 but not over \$10,450	\$485.50 plus 9.00% of the excess over \$7,650
10	Over \$10,450	\$737.50 plus 9.90% of the excess over \$10,450

11 (6) Adjustments for inflation.

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

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

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

15 (c) The cost-of-living adjustment referred to in subparagraphs (a) and (b) used in making

16 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall

17 be determined under section (J) by substituting "1994" for "1993."

18 (B) Maximum capital gains rates.

19 (1) In general.

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

22 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section  
 23 26 U.S.C. § 1(h)(1)(a) and 26 U.S.C. § 1(h)(1)(b).

24 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.  
 25 § 1(h)(1)(c).

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

28 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.  
 29 § 1(h)(1)(e).

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

32 (C) Itemized deductions.

33 (1) In general.

34 For the purposes of section (2), "itemized deductions" means the amount of federal

1 itemized deductions as modified by the modifications in § 44-30-12.

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

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

5 (3) Basic standard deduction.

6 The Rhode Island standard deduction shall be allowed in accordance with the following  
7 table:

8 Filing status	Amount
9 Single	\$5,350
10 Married filing jointly or qualifying widow(er)	\$8,900
11 Married filing separately	\$4,450
12 Head of Household	\$7,850

13 (4) Additional standard deduction for the aged and blind. An additional standard deduction  
14 shall be allowed for individuals age sixty-five (65) or older or blind in the amount of \$1,300 for  
15 individuals who are not married and \$1,050 for individuals who are married.

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

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

19 (a) \$850;

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

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

22 In the case of:

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

24 (b) Nonresident alien individual;

25 (c) An estate or trust;

26 The standard deduction shall be zero.

27 (7) Adjustments for inflation.

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

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

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

33 (D) Overall limitation on itemized deductions.

34 (1) General rule.

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

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

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

8 (2) Applicable amount.

9 (a) In general.

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

12 (b) Adjustments for inflation.

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

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

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

16 (3) Phase-out of Limitation.

17 (a) In general.

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

21 (b) Applicable fraction.

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

24 For taxable years beginning in calendar year	The applicable fraction is
25 2006 and 2007	2/3
26 2008 and 2009	1/3

27 (E) Exemption amount.

28 (1) In general.

29 Except as otherwise provided in this subsection, the term "exemption amount" means  
30 \$3,400.

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

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

1 (3) Adjustments for inflation.

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

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

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

5 (4) Limitation.

6 (a) In general.

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

9 (b) Applicable percentage.

10 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the  
11 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each  
12 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year  
13 exceeds the threshold amount. In the case of a married individual filing a separate return, the  
14 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the  
15 applicable percentage exceed one hundred percent (100%).

16 (c) Threshold Amount.

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

19 Filing status	Amount
20 Single	\$156,400
21 Married filing jointly of qualifying widow(er)	\$234,600
22 Married filing separately	\$117,300
23 Head of Household	\$195,500

24 (d) Adjustments for inflation.

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

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

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

28 (5) Phase-out of limitation.

29 (a) In general.

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

33 (b) Applicable fraction.

34 For the purposes of paragraph (a), the applicable fraction shall be determined in accordance

1 with the following table:

2 For taxable years beginning in calendar year	The applicable fraction is
3 2006 and 2007	2/3
4 2008 and 2009	1/3

5 (F) Alternative minimum tax.

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

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

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

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

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

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

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

15 (4) Taxable excess. For the purposes of this subsection the term "taxable excess" means so  
16 much of the federal alternative minimum taxable income as modified by the modifications in § 44-  
17 30-12 as exceeds the exemption amount.

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

20 (6) Exemption amount.

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

22 Filing status	Amount
23 Single	\$39,150
24 Married filing jointly or qualifying widow(er)	\$53,700
25 Married filing separately	\$26,850
26 Head of Household	\$39,150
27 Estate or trust	\$24,650

28 (7) Treatment of unearned income of minor children

29 (a) In general.

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

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

33 (ii) \$6,000.

34 (8) Adjustments for inflation.

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

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

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

5 (9) Phase-out.

6 (a) In general.

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

10 (b) Threshold amount.

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

13 Filing status	Amount
14 Single	\$123,250
15 Married filing jointly or qualifying widow(er)	\$164,350
16 Married filing separately	\$82,175
17 Head of Household	\$123,250
18 Estate or Trust	\$82,150

19 (c) Adjustments for inflation

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

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

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

23 (G) Other Rhode Island taxes.

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

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

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

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

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

31 (1) General rule. There is hereby imposed a tax equal to twenty-five percent  
32 (25%) of:

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

34 (I) Averaging of farm income.

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

3 (a) The Federal averaging of farm income as determined in IRC section 1301 [26 U.S.C. §  
4 1301].

5 (J) Cost-of-living adjustment.

6 (1) In general.

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

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

9 (b) The CPI for the base year.

10 (2) CPI for any calendar year.

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

14 (3) Consumer price index.

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

19 (4) Rounding.

20 (a) In general.

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

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

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

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

29 (2) Child and dependent care credit;

30 (3) General business credits;

31 (4) Credit for elderly or the disabled;

32 (5) Credit for prior year minimum tax;

33 (6) Mortgage interest credit;

34 (7) Empowerment zone employment credit;

1 (8) Qualified electric vehicle credit.

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

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

13 (N) Rhode Island earned-income credit .

14 (1) In general.

15 For tax years beginning before January 1, 2015, a taxpayer entitled to a federal earned-  
16 income credit shall be allowed a Rhode Island earned-income credit equal to twenty-five percent  
17 (25%) of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode  
18 Island income tax.

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

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

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

31 (2) Refundable portion.

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

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

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

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

10 (3) For the period January 1, 2011, through December 31, 2011, and thereafter, "Rhode  
11 Island taxable income" means federal adjusted gross income as determined under the Internal  
12 Revenue Code, 26 U.S.C. § 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-  
13 30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to subparagraph  
14 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant to subparagraph  
15 44-30-2.6(c)(3)(C).

16 (A) Tax imposed.

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

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

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

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

33 (B) Deductions:

34 (I) Rhode Island Basic Standard Deduction. Only the Rhode Island standard deduction shall

1 be allowed in accordance with the following table:

2 Filing status:	Amount
3 Single	\$7,500
4 Married filing jointly or qualifying widow(er)	\$15,000
5 Married filing separately	\$7,500
6 Head of Household	\$11,250

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

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

15 (C) Exemption Amount:

16 (I) The term "exemption amount" means three thousand five hundred dollars (\$3,500)  
17 multiplied by the number of exemptions allowed for the taxable year for federal income tax  
18 purposes. For tax years beginning on or after 2018, the term "exemption amount" means the same  
19 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  
20 Jobs Act (Pub. L. 115-97) on December 22, 2017.

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

25 (III) Identifying information required.

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

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

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

7 (E) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-  
8 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  
9 equal to:

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

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

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

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

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

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

28 (F) Credits against tax.

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

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

34 (b) Property Tax Relief Credit: Credit shall be allowed for property tax relief as provided

1 in § 44-33-1 et seq.

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

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

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

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

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

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

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

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

24 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in  
25 § 42-64.20-1 et seq.

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

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

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

1 SECTION 3. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 70

4 STAY INVESTED IN RI TAX CREDIT

5 **44-70-1. Definitions.**

6 As used in this chapter:

7 (1) "Eligible expenses" or "education loan repayment expenses" means annual higher  
8 education loan repayment expenses, including, without limitation, principal, interest and fees, as  
9 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to  
10 repay for attendance at a post-secondary institution of higher learning.

11 (2) "Eligible graduate" means an individual who meets the eligibility requirements under  
12 this chapter.

13 (3) "Eligibility period" means a term of up to four (4) years beginning with the date that  
14 an eligible graduate commences repayment on a student loan under this chapter and expiring at the  
15 conclusion of the fourth year after such date specified.

16 (4) "Eligibility requirements" means the following qualifications or criteria required for a  
17 taxpayer to claim a tax credit under this chapter:

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

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

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

33 (6) "Rhode Island-based employer" means:

34 (i) An employer having a principal place of business or at least fifty-one percent (51%) of

1 its employees located in this state; or

2 (ii) An employer registered to conduct business in this state that reported Rhode Island tax  
3 liability in the previous tax year.

4 (7) "Service period" means a twelve (12) month period beginning on the date that an  
5 eligible graduate commences repayment on a student loan.

6 (8) "Student loan" means a loan to an individual by a public authority or private lender to  
7 assist the individual to pay for tuition, books, and living expenses in order to attend a post-  
8 secondary institution of higher learning.

9 (9) "Taxpayer" means a person who receives a tax credit for education loan repayment  
10 expenses under this chapter.

11 **44-70-2. Tax credit.**

12 (a) A taxpayer shall be allowed a credit, to be computed as provided in this chapter, against  
13 the tax imposed by chapters 11, 13, 14, 15, 17 and 30 of this title. The amount of the credit shall be  
14 up to a maximum amount for each year of one thousand dollars (\$1,000) for an associate's degree  
15 holder, four thousand dollars (\$4,000) for a bachelor's degree holder, and six thousand dollars  
16 (\$6,000) for a graduate or post-graduate degree holder, but not to exceed the education loan  
17 repayment expenses incurred by the taxpayer during each service period completed, for up to four  
18 (4) consecutive service periods.

19 (b) The credits awarded under this chapter shall not exceed one hundred percent (100%) of  
20 the education loan repayment expenses incurred by such taxpayer during each service period  
21 completed for up to four (4) consecutive service periods. Tax credits shall be issued annually to the  
22 taxpayer upon proof that:

23 (i) The taxpayer has actually incurred and paid such education loan repayment expenses;

24 (ii) The taxpayer continues to meet the eligibility requirements throughout the service  
25 period;

26 (iii) The award shall not exceed the original loan amount plus any capitalized interest less  
27 award previously claimed under this section; and

28 (iv) That the taxpayer claiming an award is current on their student loan repayment  
29 obligations.

30 (c) If the amount of the tax credit allowed under this chapter exceeds the taxpayer's total  
31 tax liability for the year in which the credit is allowed, the amount of such credit that exceeds the  
32 taxpayer's tax liability may be carried forward and applied against the taxes imposed for the  
33 succeeding four (4) years, or until the full credit is used, whichever occurs first.

34 (c) The division of taxation shall at the request of a taxpayer redeem such credits in whole

1 or in part for one hundred percent (100%) of the value of the tax credit.

2 **44-70-3. Administration.**

3 The tax administrator shall make available suitable forms with instructions for claiming  
4 the credit. The claim shall be in a form that the tax administrator may prescribe. The tax  
5 administrator may prescribe rules and regulations, not inconsistent with law, to carry into effect the  
6 provisions of this chapter.

7 SECTION 4. This act shall take effect upon passage.

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LC000818  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO TAXATION - STAY INVESTED IN RI WAVEMAKER FELLOWSHIP

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1           This act would repeal the provisions of the Stay Invested in RI Wavemaker Fellowship,  
2 and establish the Stay Invested in RI Tax Credit to provide eligible taxpayers with a tax credit for  
3 educational loan repayment expenses.

4           This act would take effect upon passage.

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