

2023 -- H 5808

LC001744

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO TAXATION -- RHODE ISLAND WOMEN'S EQUITY INCENTIVE ACT OF 2023

Introduced By: Representatives Donovan, Kazarian, Speakman, Alzate, Fenton-Fung, Casimiro, Carson, Caldwell, Tanzi, and Messier

Date Introduced: February 22, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

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

3 CHAPTER 48.4

4 RHODE ISLAND WOMEN'S EQUITY INCENTIVE ACT OF 2023

5 **44-48.4-1. Short title.**

6 This chapter shall be known and may be cited as the "Rhode Island Women's Equity
7 Incentive Act of 2023."

8 **44-48.4-2. Findings and declaration.**

9 (a) It is hereby found and declared that Rhode Island women continue to experience barriers
10 and challenges to economic security and prosperity despite their critical role in society and the
11 economy. Generally, they are paid less than men, are overrepresented in low-paying jobs and are
12 more likely to live in poverty. Without purposeful action, economic disparities can and will simply
13 reproduce themselves.

14 (b) Economic recovery depends on addressing longstanding discrimination and barriers
15 that have hampered women including women of color from fully participating in the labor force.
16 Persistent inequities in access to executive tracked careers and in innovation and STEM industries
17 prevent our economy from reaching its full potential. Our economy and our state is better off when
18 women are better off.

1 (c) Through the establishment of the women’s equity incentive program, Rhode Island can
2 take steps to stimulate business expansion and attraction, create well-paying jobs for traditionally
3 underrepresented members of our workforce, and generate revenues for necessary state and local
4 governmental services.

5 **44-48.4-3. Definitions.**

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

8 (1) “Business” means an applicant that is a corporation, state bank, federal savings bank,
9 trust company, national banking association, bank holding company, loan and investment
10 company, mutual savings bank, credit union, building and loan association, insurance company,
11 investment company, broker-dealer company or surety company, limited liability company,
12 partnership, or sole proprietorship.

13 (2) “Eligibility period” means the period in which a business may claim a tax credit under
14 the program, which shall be a calendar year.

15 (3) “Eligible position” or “full-time job” means a full-time position in a business which has
16 been filled with a full-time employee who earns no less than the median hourly wage as reported
17 by the United States Bureau of Labor Statistics for the State of Rhode Island.

18 (4) “Full-time employee” means a person who is employed by a business for consideration
19 for at least thirty-five (35) hours a week and whose wages are subject to withholding.

20 (5) “Targeted industry” means any industry identified in the economic development vision
21 and policy promulgated under § 42-64.17-1 or, until such time as any economic development vision
22 and policy is promulgated, as identified by the commerce corporation.

23 **44-48.4-4. Rhode Island women's equity program.**

24 (a) The Rhode Island women’s equity program is hereby established as a program under
25 the jurisdiction of and shall be administered by the division of taxation. The program shall provide
26 tax credits to eligible businesses for an eligibility period.

27 (b) An eligible business under the program shall be entitled to a credit against taxes
28 imposed pursuant to chapters 11, 13, 14, 17 or 30 of title 44 as further provided under this chapter.

29 (c) In the event that the attestation by the chief executive officer of the business, or
30 equivalent officer, required under subsection (d) of this section is found to be willfully false, the
31 division of taxation may revoke any award of tax credits in their entirety, which revocation shall
32 be in addition to any other criminal or civil penalties that the business and/or the officer may be
33 subject to under applicable law. Additionally, the division of taxation may revoke any award of tax
34 credits in its entirety if the eligible business is convicted of bribery, fraud, theft, embezzlement,

1 misappropriation, and/or extortion involving the state, any state agency or political subdivision of
2 the state.

3 (d) The chief executive officer of the business shall provide a written attestation that the
4 documents and financial information provided by the business is true and accurate to the best of
5 their knowledge and belief.

6 **44-48.4-5. Total amount of tax credit for eligible business.**

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

9 **44-48.4-6. Documentation.**

10 (a) A business shall maintain documentation indicating that it has met the employment
11 requirements for the tax credit amount set forth in § 44-48.4-7.

12 (b) Full-time employment for an accounting or privilege period shall be determined as the
13 average of the monthly full-time employment for the period.

14 **44-48.4-7. Credit for qualified women's equity program expenses.**

15 (a) "Qualified expenses" and "base period expenses" have the same meaning as defined in
16 26 U.S.C. § 41; provided that, the expenses have been incurred in this state after July 1, 2023.

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

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

22 **44-48.4-8. Transfer or redemption of tax credits.**

23 The division of taxation shall establish, by regulation, the process for the assignment,
24 transfer or conveyance of tax credits.

25 **44-48.4-9. Administration.**

26 The division of taxation shall adopt rules and regulations as are necessary to implement
27 this chapter.

28 **44-48.4-10. Program integrity.**

29 Program integrity being of paramount importance, the division of taxation shall establish
30 procedures to ensure ongoing compliance with the terms and conditions of the program established
31 herein, including procedures to safeguard the expenditure of public funds and to ensure that the
32 funds further the objectives of the program.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION -- RHODE ISLAND WOMEN'S EQUITY INCENTIVE ACT OF
2023

- 1 This act would create the Rhode Island Women’s Equity Incentive Act of 2023 to address
2 the inequalities experienced by women in the workforce by offering tax credits up to two thousand
3 five hundred dollars (\$2,500) per year to eligible businesses which create full-time jobs for women.
4 This act would take effect upon passage.

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