

1 SECTION 13. Notwithstanding any provisions of Chapter 19 in Title 23 of the Rhode  
2 Island General Laws, the Resource Recovery Corporation shall transfer to the State Controller the  
3 sum of six million dollars (\$6,000,000) by June 30, 2018.

4 SECTION 14. Notwithstanding any provisions of Chapter 12.2 in Title 46 of the Rhode  
5 Island General Laws, the Rhode Island Infrastructure Bank shall transfer to the State Controller  
6 the sum of one million dollars (\$1,000,000) by June 30, 2018.

7 SECTION 15. Notwithstanding any provisions of Chapter 25 in Title 46 of the Rhode  
8 Island General Laws, the Narragansett Bay Commission shall transfer to the State Controller the  
9 sum of two million five hundred thousand dollars (\$2,500,000) by June 30, 2018.

10 SECTION 16. Notwithstanding any provisions of Chapter 38 in Title 45 of the Rhode  
11 Island General Laws, the Rhode Island Health and Educational Building Corporation shall  
12 transfer to the State Controller the sum of one million two hundred thousand dollars (\$1,200,000)  
13 by June 30, 2018.

14 SECTION 17. Notwithstanding any provisions of Chapter 12 in Title 24 of the Rhode  
15 Island General Laws, the Rhode Island Turnpike and Bridge Authority shall transfer to the State  
16 Controller the sum of two million six hundred thousand dollars (\$2,600,000) by June 30, 2018.

17 SECTION 18. Effective for the fiscal year ending June 30, 2018 and each fiscal year  
18 thereafter, the Public Utilities Commission shall transfer to the State Controller for deposit as a  
19 general revenue receipt the sum of three hundred thirty-three thousand four hundred twenty  
20 dollars (\$333,420) for rent on the building located at 89 Jefferson Boulevard in Warwick, Rhode  
21 Island.

22 SECTION 19. This article shall take effect as of July 1, 2017.

## 23 ARTICLE 2

### 24 RELATING TO ECONOMIC DEVELOPMENT AND TAX CREDITS

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

#### 27 **42-64.28-2 Definitions.**

28 As used in this chapter:

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

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

33 [\(3\) "Manufacturer" shall have the same meanings as provided in 44-3-3\(20\)\(iii\) and \(iv\)](#)  
34 [and shall include any business described in major groups 20 through 39 in the standard industrial](#)

1 [classification manual prepared by the technical committee on industrial classification, office of](#)  
2 [statistical standards, executive office of the president, United States Bureau of Budget, as revised](#)  
3 [from time to time; provided, however, that notwithstanding the foregoing the term shall include](#)  
4 [any business engaged in the processing, refining, metalworking, packaging, warehousing,](#)  
5 [shipping, and distribution of goods.](#)

6 [\(4\) "Small business manufacturer" shall mean a business that meets the definitions of](#)  
7 [terms small business and manufacturer as defined herein.](#)

8 ~~(3)~~ (5) "Match" shall mean a funding match, or in kind services provided by a third party.

9 ~~(4)~~ (6) "Targeted industry" means any advanced, promising or otherwise prioritized  
10 industry identified in the economic development vision and policy promulgated pursuant to 42-  
11 64.17-1 or, until such time as any such economic development vision and policy is promulgated,  
12 as identified by the commerce corporation.

### 13 **42-64.28-3 Programs Established.**

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

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

19 (1) The fund shall consist of:

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

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

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

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

26 (c) *Voucher program.* The commerce corporation is authorized, to develop and  
27 implement an innovation voucher program to provide financing to small businesses to purchase  
28 research and development support or other forms of technical assistance and services from Rhode  
29 Island institutions of higher education and other providers [and to fund research and development](#)  
30 [by and for small business manufacturers.](#)

31 (d) *Innovation network program.* The commerce corporation is authorized to provide  
32 innovation grants to organizations, including non-profit organizations, for-profit organizations,  
33 universities, and co-working space operators that offer technical assistance, space on flexible  
34 terms, and access to capital to businesses in advanced or targeted industries. The commerce

1 corporation shall only issue grants under this [subsection](#) when those grants are matched by private  
2 sector or non-profit partners. The commerce corporation shall establish guidelines for appropriate  
3 matching criteria under this section, including necessary matching ratios.

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

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

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

17 ~~(b)~~ (c) Matching fund awards shall be used for the benefit of small businesses in  
18 industries designated from time-to-time by the corporation, including without limitation, life  
19 science and healthcare; food and agriculture; clean technology and energy efficiency; and cyber  
20 security to pay for and access technological assistance, to procure space on flexible terms, and to  
21 access capital from organizations, including non-profit organizations, for-profit organizations,  
22 universities, and co-working space businesses.

23 **42-64.28-5 Qualification.**

24 [\(a\)](#) To qualify for a voucher or for a matching fund award under this chapter, a business  
25 must make application to the commerce corporation, and upon selection, shall enter into an  
26 agreement with the commerce corporation. The commerce corporation shall have no obligation to  
27 issue any voucher, make any award or grant any benefits under this chapter.

28 [\(b\) In a given tax year, a business shall not receive a voucher or matching fund award](#)  
29 [provided for under this chapter in conjunction with the tax credit provided for in section 44-32-3](#)  
30 [of the general laws.](#)

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

33 [CHAPTER 64.33](#)

34 [REFUNDABLE INVESTMENT TAX CREDIT](#)

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

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

4           **42-64.33-2. Legislative findings.**

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

16           **42-64.33-3. Definitions.**

17           As used in this chapter:

18           (1) “Business” means a manufacturer that is a C corporation, S corporation, partnership,  
19 limited partnership, limited liability partnership, limited liability company, or sole proprietorship;

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

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

24           (4) “Manufacturing” and “Manufacturer” shall have the same meanings as provided in  
25 44-31-1(b)(1) and (2) and shall further include any entity described in major groups 20 through  
26 39 in the Standard Industrial Classification Manual prepared by the technical committee on  
27 industrial classification, office of statistical standards, executive office of the president, United  
28 States Bureau of Budget, as revised from time to time.

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

31           (6) “Targeted industries” shall have the same meaning as provide din general law 42-  
32 64.20-3 (Rebuild Rhode Island Tax Credit Program) and the regulations promulgated thereunder.

33           (7) “Tax liability” for purposes of this chapter means (i) the amount of tax owed to the  
34 state of Rhode Island calculated as the Rhode Island adjusted taxable income minus any Rhode

1 Island tax credit on Schedule B-CR other than credits allowed under this chapter; or (ii) the  
2 minimum tax for filers of Form RI 11120S; or (iii) the Rhode Island annual fee for file.

3 **42-64.33-4. Establishment of program.**

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

6 **42-64.33-5. Refundable Tax credits.**

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

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

18 (c) The refundable tax credit shall be available only to the extent that the business's  
19 investment credit exceeds that business's tax liability for the tax year in which the credit is  
20 available.

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

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

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

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

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

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

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

18 (k) In the case of a corporation that files a consolidated return, this credit shall only be  
19 allowed against the tax of a corporation included in a consolidated return that qualifies for the  
20 credit and not against the tax of other corporations that may join in the filing of a consolidated tax  
21 return.

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

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

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

32 **42-64.33-6. Refundable investment tax credit fund.**

33 There is hereby established at the commerce corporation a restricted account known as  
34 the refundable investment tax credit fund (the "fund") into which all amounts appropriated in the

1 state budget for the redemption of tax credits under this chapter shall be deposited. The fund  
2 shall be used to pay for the redemption of investment tax credits pursuant to the provisions of this  
3 chapter and for which a taxpayer is eligible under general laws 44-31-1. The fund shall be  
4 exempt from attachment, levy or any other process at law or in equity. The director of the  
5 department of revenue shall make a requisition to the commerce corporation for funding during  
6 any fiscal year as may be necessary to pay for the redemption pursuant to this chapter. The  
7 commerce corporation shall pay from the fund such amounts as requested by the director of the  
8 department of revenue necessary to redeem tax credits pursuant to this chapter.

9 **42-64.33-7. Program integrity.**

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

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

17 **42-64.33-8. Reporting requirements.**

18 (a) By September 1, 2018 and each year thereafter, the commerce corporation shall report  
19 the name and address of each business entering into an incentive agreement during the previous  
20 state fiscal year to the division of taxation. The commerce corporation shall also make this  
21 information publicly available on its website. In addition, the commerce corporation shall  
22 provide the division of taxation a copy of each incentive agreement as they are executed.

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

26 SECTION 3. Title 42 of the General Laws, entitled "State Affairs and Government," is  
27 hereby amended by adding thereto the following chapter:

28 CHAPTER 64.34

29 REFUNDABLE JOBS TRAINING TAX CREDITS

30 **42-64.34-1. Short title.**

31 This chapter shall be known and may be cited as the "Refundable Jobs Training Tax  
32 Credit Act."

33 **42-64.34-2. Legislative findings.**

34 Although Chapter 64.6 of Title 42 of the Rhode Island General Laws (the "Jobs Training

1 Tax Credit statute”) establishes tax credits for qualifying employers for qualifying expenses  
2 incurred in the training and/or retraining of qualifying employees, the Jobs Training Tax Credit  
3 statute does not allow for the taking of such credits by certain business entities and further does  
4 not provide for refunds to the extent that the qualifying employer’s job training tax credits exceed  
5 the qualifying employer’s tax liability. Through the establishment of a refundable jobs training  
6 tax credit program for manufacturers and businesses in targeted industries, Rhode Island can  
7 foster further training and/or retraining of qualifying employees to meet the evolving needs of the  
8 workforce and thereby encourage employers within those industries to contribute in a meaningful  
9 way to the economic development of this state. In so doing, this program will further advance the  
10 competitiveness of Rhode Island and its companies in the national and global economies and  
11 result in the creation and/or retention of jobs in the state.

12 **42-64.34-3. Definitions.**

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

15 (2) “Manufacturing” and “Manufacturer” shall have the same meanings as provided in  
16 44-31-1(b)(1) and (2) and shall further include any business described in major groups 20 through  
17 39 in the Standard Industrial Classification Manual prepared by the technical committee on  
18 industrial classification, office of statistical standards, executive office of the president, United  
19 States Bureau of Budget, as revised from time to time; provided, however, that notwithstanding  
20 the foregoing, the terms shall include any business engaged in the processing, refining,  
21 metalworking, packaging, warehousing, shipping, and distribution of goods.

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

24 (4) “Targeted industries” shall have the same meaning as provide din general law 42-  
25 64.20-3 (Rebuild Rhode Island Tax Credit Program) and the regulations promulgated thereunder.

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

30 **42-64.34-4. Establishment of program.**

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



1           **42-64.34-5. Refundable Tax credits.**

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

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

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

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

19           (e) Prior to approving an application for refundable tax credits, the commerce corporation  
20 shall require the qualifying employer to enter into an incentive agreement setting forth the  
21 qualifying employer's eligibility to use or redeem tax credits and the terms and conditions  
22 governing the approval and receipt of the tax credits.

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

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

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

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

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

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

20 (l) Credits allowed to a qualifying employer that is a partnership, a limited liability  
21 company taxed as a partnership, or that is owned by multiple persons shall be passed through to  
22 the persons designated as partners, members or owners respectively pro rata or pursuant to an  
23 executed agreement among such persons designated as partners, members or owners documenting  
24 an alternate distribution method without regard to their sharing of other tax or economic attributes  
25 of such entity.

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

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

31 **42-64.34-6. Refundable jobs training tax credit fund.**

32 There is hereby established at the commerce corporation a restricted account known as  
33 the refundable jobs training tax credit fund (the "fund") in to which all amounts appropriated in  
34 the state budget for the redemption of tax credits under this chapter shall be deposited. The fund

1 shall be used to pay for the redemption of jobs training tax credits pursuant to the provisions of  
2 this chapter and for which a taxpayer is eligible under general laws 42-64.6-1, et seq. The fund  
3 shall be exempt from attachment, levy or any other process at law or in equity. The director of  
4 the department of revenue shall make a requisition to the commerce corporation for funding  
5 during any fiscal year as may be necessary to pay for the redemption of tax credits pursuant to  
6 this chapter. The commerce corporation shall pay from the fund such amounts requested by the  
7 director of the department of revenue necessary to redeem tax credits pursuant to this chapter.

8 **42-64.34-7. Program integrity.**

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

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

16 **42-64.34-8. Reporting requirements.**

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

22 (b) By December 1, 2018 and each year thereafter, the office of management and budget  
23 shall provide the governor with the sum, if any, to be appropriated to fund the refundable jobs  
24 training tax credit program.

25 SECTION 4. Title 42 of the General Laws, entitled "State Affairs and Government," is  
26 hereby amended by adding thereto the following chapter:

27 CHAPTER 64.35

28 TECHNICAL ASSISTANCE FOR MUNICIPAL ZONING AND PERMITTING FUND

29 **42-64.35-1 Statement of intent.**

30 Outdated and overly burdensome zoning, planning, and permitting codes and processes  
31 can inhibit the establishment of sustained economic development at the local level. It is the  
32 intention of the general assembly to assist municipalities in addressing and streamlining their  
33 respective zoning, planning, and permitting codes and processes by creating a funding program to  
34 provide access to technical assistance for the evaluation and betterment of such codes and

1 processes.

2 **42-64.35-2 Fund established.**

3 The technical assistance for municipal zoning and permitting fund is hereby created  
4 within the Rhode Island commerce corporation (the "fund"). The commerce corporation is  
5 authorized, within available appropriations, to award loans, grants, and other forms of financing  
6 to provide access by municipalities to technical assistance to evaluate and streamline their  
7 respective zoning, planning, and permitting codes and processes to foster economic development  
8 and business attraction within their respective municipalities. Applications and awards of grants,  
9 loans, and other forms of financing shall be on a rolling basis. There is established an account in  
10 the name of the "technical assistance for municipal zoning and permitting fund" under the control  
11 of the commerce corporation, and the commerce corporation shall pay into such account any  
12 eligible funds available to the commerce corporation from any source, including funds  
13 appropriated by the state and any grants made available by the United States or any agency of the  
14 United States.

15 **42-64.35-3 Rules and regulations.**

16 The commerce corporation is hereby authorized to promulgate such rules and regulations  
17 as are necessary to fulfill the purposes of this chapter, including the criteria by which grant, loan,  
18 or other form of financing applications will be judged and awarded.

19 **42-64.35-4 Reporting requirements.**

20 The commerce corporation shall publish a report on the fund at the end of each fiscal  
21 year, which shall contain information on the commitment, disbursement, and use of funds  
22 allocated under the fund. The report shall also, to the extent practicable, track the economic  
23 impact of projects that have been completed using the fund. The report is due no later than sixty  
24 (60) days after the end of the fiscal year, and shall be provided to the speaker of the house of  
25 representatives and the president of the senate.

26 **42-64.35-5 Program integrity.**

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

31 **42-64.35-6 Sunset.**

32 No incentives shall be authorized pursuant to this chapter after December 31, 2019.

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

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

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

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

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

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

32           (2) For the period January 1, 2007, through December 31, 2007, and thereafter, Rhode  
33 Island taxable income shall be determined by deducting from federal adjusted gross income as  
34 defined in 26 U.S.C. § 62 as modified by the modifications in § 44-30-12 the Rhode Island

1 itemized-deduction amount and the Rhode Island exemption amount as determined in this  
2 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  
31 gain 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.

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

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

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

21 (a) \$850;

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

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

24 In the case of:

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

26 (b) Nonresident alien individual;

27 (c) An estate or trust;

28 The standard deduction shall be zero.

29 (7) Adjustments for inflation.

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

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

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



1 (D) Overall limitation on itemized deductions.

2 (1) General rule.

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

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

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

10 (2) Applicable amount.

11 (a) In general.

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

14 (b) Adjustments for inflation.

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

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

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

18 (3) Phase-out of Limitation.

19 (a) In general.

20 In the case of taxable year beginning after December 31, 2005, and before January 1,  
21 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which  
22 would be the amount of such reduction.

23 (b) Applicable fraction.

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

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

29 (E) Exemption amount.

30 (1) In general.

31 Except as otherwise provided in this subsection, the term "exemption amount" means  
32 \$3,400.

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

34 In the case of an individual with respect to whom a deduction under this section is

1 allowable to another taxpayer for the same taxable year, the exemption amount applicable to such  
2 individual for such individual's taxable year shall be zero.

3 (3) Adjustments for inflation.

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

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

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

7 (4) Limitation.

8 (a) In general.

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

11 (b) Applicable percentage.

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

18 (c) Threshold Amount.

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

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

26 (d) Adjustments for inflation.

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

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

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

30 (5) Phase-out of limitation.

31 (a) In general.

32 In the case of taxable years beginning after December 31, 2005, and before January 1,  
33 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which  
34 would be the amount of such reduction.

1 (b) Applicable fraction.

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

4 For taxable years beginning in calendar year	The applicable fraction is
5 2006 and 2007	2/3
6 2008 and 2009	1/3

7 (F) Alternative minimum tax.

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

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

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

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

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

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

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

17 (4) Taxable excess. For the purposes of this subsection the term "taxable excess" means  
18 so much of the federal alternative minimum taxable income as modified by the modifications in §  
19 44-30-12 as exceeds the exemption amount.

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

22 (6) Exemption amount.

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

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

30 (7) Treatment of unearned income of minor children

31 (a) In general.

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

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

1 (ii) \$6,000.

2 (8) Adjustments for inflation.

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

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

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

8 (9) Phase-out.

9 (a) In general.

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

13 (b) Threshold amount.

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

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

22 (c) Adjustments for inflation

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

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

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

26 (G) Other Rhode Island taxes.

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

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

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

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

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

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

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

2 (I) Averaging of farm income.

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

5 (a) The Federal averaging of farm income as determined in IRC section 1301 [26 U.S.C.  
6 § 1301].

7 (J) Cost-of-living adjustment.

8 (1) In general.

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

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

11 (b) The CPI for the base year.

12 (2) CPI for any calendar year.

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

16 (3) Consumer price index.

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

21 (4) Rounding.

22 (a) In general.

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

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

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

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

31 (2) Child and dependent care credit;

32 (3) General business credits;

33 (4) Credit for elderly or the disabled;

34 (5) Credit for prior year minimum tax;

1 (6) Mortgage interest credit;

2 (7) Empowerment zone employment credit;

3 (8) Qualified electric vehicle credit.

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

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

15 (N) Rhode Island earned-income credit .

16 (1) In general.

17 For tax years beginning before January 1, 2015, a taxpayer entitled to a federal earned-  
18 income credit shall be allowed a Rhode Island earned-income credit equal to twenty-five percent  
19 (25%) of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode  
20 Island income tax.

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

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

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

33 (2) Refundable portion.

34 In the event the Rhode Island earned-income credit allowed under paragraph (N)(1) of

1 this section exceeds the amount of Rhode Island income tax, a refundable earned-income credit  
2 shall be allowed as follows.

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

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

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

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

18 (A) Tax imposed.

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

28 (II) There is hereby imposed on the taxable income of an estate or trust a tax determined  
29 in 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

1 (B) Deductions:

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

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

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

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

17 (C) Exemption Amount:

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

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  
23 for the same taxable year, the exemption amount applicable to such individual for such  
24 individual's taxable year shall be zero.

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

31 (E) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-  
32 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  
33 equal to:

34 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-



1 2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000,  
2 multiplied by;

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

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

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

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

18 (F) Credits against tax.

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

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

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

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

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

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

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

34 (g) Child and Dependent Care: Credit shall be allowed for twenty-five percent (25%) of

1 the federal child and dependent care credit allowable for the taxable year for federal purposes;  
2 provided, however, such credit shall not exceed the Rhode Island tax liability.

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

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

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

14 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in  
15 § 42-64.20-1 et seq.

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

18 (m) Refundable Investment Tax Credit: Credit shall be allowed for investment tax  
19 credits as provided in 44-31-1 et seq. and for refundable investment tax credits as provided in 42-  
20 64.33-1 et seq.

21 (n) Refundable Jobs Training Tax Credit: Credit shall be allowed for jobs training tax  
22 credits as provided in 42-64.6-1 et seq. and for refundable jobs training tax credits as provided in  
23 42-64.34-1 et seq.

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

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

27 **ARTICLE 3**

28 **RELATING TO RHODE ISLAND PROMISE SCHOLARSHIP**

29 SECTION 1. Title 16 of the General Laws entitled "Education" is hereby amended by  
30 adding thereto the following chapter:

31 CHAPTER 16-107

32 RHODE ISLAND PROMISE SCHOLARSHIP

33 **16-107-1. Short title.**

34 This chapter shall be known and may be cited as the "Rhode Island Promise Scholarship