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**ARTICLE 13 AS AMENDED**

RELATING TO TAXES AND REVENUES

SECTION 1. Section 3-6-1 of the General Laws in Chapter 3-6 entitled "Manufacturing and Wholesale Licenses" is hereby amended to read as follows:

**3-6-1. Manufacturer's license.** -- (a) A manufacturer's license authorizes the holder to establish and operate a brewery, distillery, or winery at the place described in the license for the manufacture of beverages within this state. The license does not authorize more than one of the activities of operator of a brewery or distillery or winery and a separate license shall be required for each plant.

(b) The license also authorizes the sale at wholesale at the licensed place by the manufacturer of the product of the licensed plant to another license holder and the transportation and delivery from the place of sale to a licensed place or to a common carrier for that delivery. The license does not authorize the sale of beverages for consumption on premises where sold. The license does not authorize the sale of beverages in this state for delivery outside this state in violation of the law of the place of delivery. The license holder may provide to visitors in conjunction with a tour and/or tasting, samples, clearly marked as samples, not to exceed three hundred seventy-five milliliters (375 ml) per visitor for distilled spirits and seventy-two ounces (72 oz) per visitor for malt beverages at the licensed plant by the manufacturer of the product of the licensed plant to visitors for off-premise consumption. The license does not authorize providing samples to a visitor of any alcoholic beverages for off-premise consumption that are not manufactured at the licensed plant.

(c) The annual fee for the license is three thousand dollars (\$3,000) for a distillery producing more than fifty thousand (50,000) gallons per year and five hundred dollars (\$500) for a distillery producing less than or equal to fifty thousand (50,000) gallons per year, five hundred dollars (\$500) for a brewery, and one thousand five hundred dollars (\$1,500) for a winery producing more than fifty thousand (50,000) gallons per year and five hundred dollars (\$500) per year for a winery producing less than fifty thousand (50,000) gallons per year. All those fees are prorated to the year ending December 1 in every calendar year and shall be paid to the division of taxation and be turned over to the general treasurer for the use of the state.

SECTION 2. Section 3-10-1 of the General Laws in Chapter 3-10 entitled "Taxation of

1 Beverages" is hereby amended to read as follows:

2 **3-10-1. Manufacturing tax rates -- Exemption of religious uses.** -- (a) There shall be  
3 assessed and levied by the tax administrator on all beverages manufactured, rectified, blended, or  
4 reduced for sale in this state a tax of three dollars and thirty cents (\$3.30) on every thirty-one (31)  
5 gallons, and a tax at a like rate for any other quantity or fractional part. On any beverage  
6 manufactured, rectified, blended, or reduced for sale in this state consisting in whole or in part of  
7 wine, whiskey, rum, gin, brandy spirits, ethyl alcohol, or other strong liquors (as distinguished  
8 from beer or other brewery products), the tax to be assessed and levied is as follows:

9 (1) Still wines (whether fortified or not), one dollar and forty cents (\$1.40) per gallon;

10 (2) Still wines (whether fortified or not) made entirely from fruit grown in this state,  
11 thirty cents (\$.30) per gallon;

12 (3) Sparkling wines (whether fortified or not), seventy five cents (\$.75) per gallon;

13 (4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole  
14 or in part of alcohol that is the product of distillation, five dollars and forty cents (\$5.40) per  
15 gallon, except that whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in  
16 whole or in part of alcohol that is the product of distillation but that contains alcohol measuring  
17 thirty (30) proof or less, one dollar and ten cents (\$1.10) per gallon;

18 (5) Ethyl alcohol to be used for beverage purposes, seven dollars and fifty cents (\$7.50)  
19 per gallon; and

20 (6) Ethyl alcohol to be used for nonbeverage purposes, eight cents (\$.08) per gallon.

21 (b) Sacramental wines are not subject to any tax if sold directly to a member of the  
22 clergy for use by the purchaser or his or her congregation for sacramental or other religious  
23 purposes.

24 (c) A brewer who brews beer in this state that is actively and directly owned, managed,  
25 and operated by an authorized legal entity that has owned, managed, and operated a brewery in  
26 this state for at least twelve (12) consecutive months, shall receive a tax exemption on the first  
27 one hundred thousand (100,000) barrels of beer that it produces and distributes in this state in any  
28 calendar year. A barrel of beer is thirty one (31) gallons.

29 (d) A distiller who distills spirits in this state that is actively and directly owned,  
30 managed, and operated by an authorized legal entity that has owned, managed, and operated a  
31 distillery in this state for at least twelve (12) consecutive months, shall receive a tax exemption on  
32 the first fifty thousand (50,000) gallons of distilled spirits that it produces and distributes in this  
33 state in any calendar year.

34 SECTION 3. Section 7-12-56 of the General Laws in Chapter 7-12 entitled

1 "Partnerships" is hereby amended to read as follows:

2 **7-12-56. Registered limited liability partnerships.** -- (a) To become and to continue as  
3 a registered limited liability partnership, a partnership shall file with the secretary of state an  
4 application or a renewal application, stating the name of the partnership, the address of its  
5 principal office, if the partnership's principal office is not located in this state, the address of a  
6 registered office and the name and address of a registered agent for service of process in this state  
7 which a partnership is required to maintain. In addition, partnerships under this section shall  
8 provide the names and addresses of all resident partners, the place where the business records of  
9 the partnership are maintained, or if more than one location for business records is maintained,  
10 then the principal place of business of the partnership, number, a brief statement of the business  
11 in which the partnership engaged, and that the partnership applies for status or renewal of its  
12 status, as a registered limited liability partnership.

13 (b) The application or renewal application is executed by a majority in interest of the  
14 partners or by one or more partners authorized to execute an application or renewal application.

15 (c) The application ~~or renewal application~~ is accompanied by a fee of ~~one hundred~~  
16 ~~dollars (\$100)~~ one hundred fifty dollars (\$150) ~~for each partner, not to exceed two thousand five~~  
17 ~~hundred dollars (\$2,500)~~ for each partnership's initial filing ~~or subsequent renewal application~~.

18 Renewal applications are to be filed yearly and are to be accompanied by a fee of fifty  
19 dollars (\$50.00).

20 (d) The secretary of state shall register as a registered limited liability partnership, and  
21 shall renew the registration of any limited liability partnership, any partnership that submits a  
22 completed application or renewal application with the required fee.

23 (e) Registration is effective for one year after the date an application is filed, unless  
24 voluntarily withdrawn by filing with the secretary of state a written withdrawal notice executed  
25 by a majority in interest of the partners or by one or more partners authorized to execute a  
26 withdrawal. Registration, whether pursuant to an original application or a renewal application, as  
27 a registered limited liability partnership is renewed if, during the sixty (60) day period preceding  
28 the date the application or renewal application otherwise would have expired, the partnership  
29 filed with the secretary of state a renewal application. A renewal application expires one year  
30 after the date an original application would have expired if the last renewal of the application had  
31 not occurred.

32 (f) The status of a partnership as a registered limited liability partnership is not affected  
33 by changes after the filing of an application or a renewal application in the information stated in  
34 the application or renewal application.

1 (g) The secretary of state may provide forms for application for or renewal of  
2 registration. Any renewals shall maintain resident partners as set out in this section.

3 (h) A partnership that registers as a registered limited liability partnership is not deemed  
4 to have dissolved as a result of that registration and is for all purposes the same partnership that  
5 existed before the registration and continues to be a partnership under the laws of this state. If a  
6 registered limited liability partnership dissolves, a partnership which is a successor to the  
7 registered limited liability partnership and which intends to be a registered limited liability  
8 partnership is not required to file a new application and is deemed to have filed any documents  
9 required or permitted under this chapter which were filed by the predecessor partnership.

10 (i) The fact that an application or renewal application is on file in the office of the  
11 secretary of state is notice that the partnership is a registered limited liability partnership and is  
12 notice of all other facts stated in the application or renewal application.

13 SECTION 4. Section 7-12-60 of the General Laws in Chapter 7-12 entitled  
14 "Partnerships" is hereby amended to read as follows:

15 **7-12-60. Filing of returns with the tax administrator -- Annual charge.** -- (a) For tax  
16 years beginning on or after January 1, 2012 a limited liability partnership registered under § 7-12-  
17 56, shall file a return in the form and containing the information as prescribed by the tax  
18 administrator as follows:

19 (1) If the fiscal year of the limited liability partnership is the calendar year, on or before  
20 the fifteenth (15th) day of April in the year following the close of the fiscal year; and

21 (2) If the fiscal year of the limited liability partnership is not a calendar year, on or  
22 before the fifteenth (15th) day of the fourth (4th) month following the close of the fiscal year.

23 (b) For tax years beginning after December 31, 2015, a limited liability partnership  
24 registered under §7-12-56, shall file a return in the form and containing the information as  
25 prescribed by the tax administrator and shall be filed on or before the date a federal tax return is  
26 due to be filed, without regard to extension.

27 ~~(b)~~(c) An annual charge, equal to the minimum tax imposed upon a corporation under  
28 subsection 44-11-2(e), shall be due on the filing of the limited liability partnership's return filed  
29 with the tax administrator and shall be paid to the division of taxation.

30 ~~(e)~~(d) The annual charge is delinquent if not paid by the due date for the filing of the  
31 return and an addition of one hundred dollars (\$100) to the charge is then due.

32 SECTION 5. Section 7-13-69 of the General Laws in Chapter 7-13 entitled "Limited  
33 Partnerships" is hereby amended to read as follows:

34 **7-13-69. Filing of returns with the tax administrator -- Annual charge.** -- (a) For tax

1 years beginning on or after January 1, 2012 a limited partnership certified under this chapter shall  
2 file a return in the form and containing the information as prescribed by the tax administrator as  
3 follows:

4 (1) If the fiscal year of the limited partnership is the calendar year, on or before the  
5 fifteenth (15th) day of April in the year following the close of the fiscal year; and

6 (2) If the fiscal year of the limited partnership is not a calendar year, on or before the  
7 fifteenth (15th) day of the fourth (4th) month following the close of the fiscal year.

8 (b) For tax years beginning after December 31, 2015, a limited partnership certified under  
9 this chapter shall file a return in the form and containing the information as prescribed by the tax  
10 administrator and shall be filed on or before the date a federal tax return is due to be filed, without  
11 regard to extension.

12 ~~(b)~~(c) An annual charge, equal to the minimum tax imposed upon a corporation under  
13 subsection 44-11-2(e), shall be due on the filing of the limited partnership's return filed with the  
14 tax administrator and shall be paid to the division of taxation.

15 ~~(e)~~(d) The annual charge is delinquent if not paid by the due date for the filing of the  
16 return and an addition of one hundred dollars (\$100) to the charge is then due.

17 SECTION 6. Section 7-16-67 of the General Laws in Chapter 7-16 entitled "The Rhode  
18 Island Limited Liability Company Act" is hereby amended to read as follows:

19 **7-16-67. Filing of returns with the tax administrator -- Annual charge.** -- (a) A return  
20 in the form and containing the information as the tax administrator may prescribe shall be filed  
21 with the tax administrator by the limited liability company:

22 (1) In case the fiscal year of the limited liability company is the calendar year, on or  
23 before the fifteenth day of March in the year following the close of the fiscal year; and

24 (2) In case the fiscal year of the limited liability company is not a calendar year, on or  
25 before the fifteenth day of the third month following the close of the fiscal year.

26 (b) For tax years on or after January 1, 2016, a return in the form and containing the  
27 information as the tax administrator may prescribe shall be filed with the tax administrator by the  
28 limited liability company and shall be filed on or before the date a federal tax return is due to be  
29 filed, without regard to extension.

30 ~~(b)~~(c) An annual charge shall be due on the filing of the limited liability company's  
31 return filed with the tax administrator and shall be paid to the Division of Taxation as follows:

32 (1) If the limited liability company is treated as a corporation for purposes of federal  
33 income taxation, it shall pay the taxes as provided in chapters 11 and 12 of title 44; or

34 (2) If the limited liability company is not treated as a corporation for purposes of federal

1 income taxation, it shall pay a fee in an amount equal to the minimum tax imposed upon a  
2 corporation under § 44-11-2(e). The due date for a limited liability company that is not treated as  
3 a corporation for purposes of federal income taxation shall be on or before the fifteenth (15th) day  
4 of the fourth (4th) month following the close of the fiscal year.

5 (d) For tax years on or after January 1, 2016, a return in the form and containing the  
6 information as the tax administrator may prescribe shall be filed with the tax administrator by the  
7 limited liability company and shall be filed on or before the date a federal tax return is due to be  
8 filed, without regard to extension.

9 ~~(e)~~(e) The annual charge is delinquent if not paid by the due date for the filing of the  
10 return and an addition of one hundred dollars (\$100.00) to the charge is then due.

11 SECTION 7. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled  
12 “Licensing of Health Care Facilities” is hereby amended to read as follows:

13 **23-17-38.1. Hospitals – Licensing fee.** ~~-- (a) There is imposed a hospital licensing fee at~~  
14 ~~the rate of five and seven hundred forty five thousandths percent (5.745%) upon the net patient~~  
15 ~~services revenue of every hospital for the hospital's first fiscal year ending on or after January 1,~~  
16 ~~2013, except that the license fee for all hospitals located in Washington County, Rhode Island~~  
17 ~~shall be discounted by thirty seven percent (37%). The discount for Washington County hospitals~~  
18 ~~is subject to approval by the Secretary of the US Department of Health and Human Services of a~~  
19 ~~state plan amendment submitted by the executive office of health and human services for the~~  
20 ~~purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This~~  
21 ~~licensing fee shall be administered and collected by the tax administrator, division of taxation~~  
22 ~~within the department of revenue, and all the administration, collection and other provisions of~~  
23 ~~chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax~~  
24 ~~administrator on or before July 13, 2015 and payments shall be made by electronic transfer of~~  
25 ~~monies to the general treasurer and deposited to the general fund. Every hospital shall, on or~~  
26 ~~before June 15, 2015, make a return to the tax administrator containing the correct computation of~~  
27 ~~net patient services revenue for the hospital fiscal year ending September 30, 2013, and the~~  
28 ~~licensing fee due upon that amount. All returns shall be signed by the hospital's authorized~~  
29 ~~representative, subject to the pains and penalties of perjury.~~

30 ~~(b)~~(a) There is also imposed a hospital licensing fee at the rate of five and eight hundred  
31 sixty-two thousandths percent (5.862%) upon the net patient services revenue of every hospital  
32 for the hospital's first fiscal year ending on or after January 1, 2014, except that the license fee for  
33 all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven  
34 percent (37%). The discount for Washington County hospitals is subject to approval by the

1 Secretary of the US Department of Health and Human Services of a state plan amendment  
2 submitted by the executive office of health and human services for the purpose of pursuing a  
3 waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be  
4 administered and collected by the tax administrator, division of taxation within the department of  
5 revenue, and all the administration, collection and other provisions of chapter 51 of title 44 shall  
6 apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 11,  
7 2016 and payments shall be made by electronic transfer of monies to the general treasurer and  
8 deposited to the general fund. Every hospital shall, on or before June 13, 2016, make a return to  
9 the tax administrator containing the correct computation of net patient services revenue for the  
10 hospital fiscal year ending September 30, 2014, and the licensing fee due upon that amount. All  
11 returns shall be signed by the hospital's authorized representative, subject to the pains and  
12 penalties of perjury.

13 (b) There is also imposed a hospital licensing fee at the rate of five and six hundred fifty-  
14 two thousandths percent (5.652%) upon the net patient services revenue of every hospital for the  
15 hospital's first fiscal year ending on or after January 1, 2015, except that the license fee for all  
16 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent  
17 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of  
18 the US Department of Health and Human Services of a state plan amendment submitted by the  
19 executive office of health and human services for the purpose of pursuing a waiver of the  
20 uniformity requirement for the hospital license fee. This licensing fee shall be administered and  
21 collected by the tax administrator, division of taxation within the department of revenue, and all  
22 the administration, collection and other provisions of chapter 51 of title 44 shall apply. Every  
23 hospital shall pay the licensing fee to the tax administrator on or before July 10, 2017 and  
24 payments shall be made by electronic transfer of monies to the general treasurer and deposited to  
25 the general fund. Every hospital shall, on or before June 14, 2017, make a return to the tax  
26 administrator containing the correct computation of net patient services revenue for the hospital  
27 fiscal year ending September 30, 2015, and the licensing fee due upon that amount. All returns  
28 shall be signed by the hospital's authorized representative, subject to the pains and penalties of  
29 perjury.

30 (c) For purposes of this section the following words and phrases have the following  
31 meanings:

32 (1) "Hospital" means the actual facilities and buildings in existence in Rhode Island,  
33 licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on  
34 that license, regardless of changes in licensure status pursuant to § 23-17.14 (hospital

1 conversions) and §23-17-6 (b) (change in effective control), that provides short-term acute  
2 inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for  
3 injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated  
4 Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital  
5 through receivership, special mastership or other similar state insolvency proceedings (which  
6 court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon  
7 the newly negotiated rates between the court-approved purchaser and the health plan, and such  
8 rates shall be effective as of the date that the court-approved purchaser and the health plan  
9 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology  
10 for inpatient hospital payments and outpatient hospital payments set for the §§ 40-8-  
11 13.4(b)(1)(B)(iii) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases  
12 for each annual twelve (12) month period as of July 1 following the completion of the first full  
13 year of the court-approved purchaser's initial Medicaid managed care contract.

14 (2) "Gross patient services revenue" means the gross revenue related to patient care  
15 services.

16 (3) "Net patient services revenue" means the charges related to patient care services less  
17 (i) charges attributable to charity care; (ii) bad debt expenses; and (iii) contractual allowances.

18 (d) The tax administrator shall make and promulgate any rules, regulations, and  
19 procedures not inconsistent with state law and fiscal procedures that he or she deems necessary  
20 for the proper administration of this section and to carry out the provisions, policy, and purposes  
21 of this section.

22 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein  
23 that are duly licensed on July 1, ~~2015~~ 2016, and shall be in addition to the inspection fee imposed  
24 by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

25 SECTION 8. Section 31-36.1-18 of the General Laws in Chapter 31-36.1 entitled "Fuel  
26 Use Reporting Law" is hereby amended to read as follows:

27 **31-36.1-18. Disposition of proceeds.** -- All money collected under the provisions of this  
28 chapter shall be ~~deposited as general revenues~~ deposited in the intermodal surface transportation  
29 fund as established in §31-36-20 of the general laws.

30 SECTION 9. Section 44-11-2 of the General Laws in Chapter 44-11 entitled "Business  
31 Corporation Tax" is hereby amended to read as follows:

32 ~~**44-11-2. Imposition of tax. [Effective until January 1, 2017.]** -- (a) Each corporation~~  
33 ~~shall annually pay to the state a tax equal to nine percent (9%) of net income, as defined in § 44-~~  
34 ~~11-11, qualified in § 44-11-12, and apportioned to this state as provided in §§ 44-11-13 -- 44-11-~~



1 ~~15, for the taxable year. For tax years beginning on or after January 1, 2015, each corporation~~  
2 ~~shall annually pay to the state a tax equal to seven percent (7.0%) of net income, as defined in §~~  
3 ~~44-11-13—44-11-15, for the taxable year.~~

4 ~~(b) A corporation shall pay the amount of any tax as computed in accordance with~~  
5 ~~subsection (a) of this section after deducting from "net income," as used in this section, fifty~~  
6 ~~percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if~~  
7 ~~for the taxable year:~~

8 ~~(1) The corporation is engaged in buying, selling, dealing in, or holding securities on its~~  
9 ~~own behalf and not as a broker, underwriter, or distributor;~~

10 ~~(2) Its gross receipts derived from these activities during the taxable year amounted to at~~  
11 ~~least ninety percent (90%) of its total gross receipts derived from all of its activities during the~~  
12 ~~year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable~~  
13 ~~consideration, received during the taxable year in connection with the conduct of the taxpayer's~~  
14 ~~activities.~~

15 ~~(c) A corporation shall not pay the amount of the tax computed on the basis of its net~~  
16 ~~income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten~~  
17 ~~cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of~~  
18 ~~one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the~~  
19 ~~corporation is either a "personal holding company" registered under the federal Investment~~  
20 ~~Company Act of 1940, 15 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real~~  
21 ~~estate investment trust" as defined in the federal income tax law applicable to the taxable year.~~  
22 ~~"Gross income" means gross income as defined in the federal income tax law applicable to the~~  
23 ~~taxable year, plus:~~

24 ~~(1) Any interest not included in the federal gross income; minus~~

25 ~~(2) Interest on obligations of the United States or its possessions, and other interest~~  
26 ~~exempt from taxation by this state; and minus~~

27 ~~(3) Fifty percent (50%) of the excess of capital gains over capital losses realized during~~  
28 ~~the taxable year.~~

29 ~~(d) (1) A small business corporation having an election in effect under subchapter S, 26~~  
30 ~~U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except~~  
31 ~~that the corporation shall be subject to the provisions of subsection (a), to the extent of the income~~  
32 ~~that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after~~  
33 ~~January 1, 2015, a small business corporation having an election in effect under subchapter S, 26~~  
34 ~~U.S.C. § 1261 et seq., shall be subject to the minimum tax under § 44-11-2(e).~~

1 ~~(2) The shareholders of the corporation who are residents of Rhode Island shall include~~  
2 ~~in their income their proportionate share of the corporation's federal taxable income.~~

3 ~~(3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]~~

4 ~~(4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]~~

5 ~~(e) Minimum tax. —The tax imposed upon any corporation under this section, including a~~  
6 ~~small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et~~  
7 ~~seq., shall not be less than four hundred fifty dollars (\$450).~~

8 ~~**44-11-2. Imposition of tax. [Effective January 1, 2017.]** (a) Each corporation shall~~  
9 ~~annually pay to the state a tax equal to nine percent (9%) of net income, as defined in § 44-11-11,~~  
10 ~~qualified in § 44-11-12, and apportioned to this state as provided in §§ 44-11-13—44-11-15, for~~  
11 ~~the taxable year. For tax years beginning on or after January 1, 2015, each corporation shall~~  
12 ~~annually pay to the state a tax equal to seven percent (7.0%) of net income, as defined in § 44-11-~~  
13 ~~13—44-11-15, for the taxable year.~~

14 ~~(b) A corporation shall pay the amount of any tax as computed in accordance with~~  
15 ~~subsection (a) of this section after deducting from "net income," as used in this section, fifty~~  
16 ~~percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if~~  
17 ~~for the taxable year:~~

18 ~~(1) The corporation is engaged in buying, selling, dealing in, or holding securities on its~~  
19 ~~own behalf and not as a broker, underwriter, or distributor;~~

20 ~~(2) Its gross receipts derived from these activities during the taxable year amounted to at~~  
21 ~~least ninety percent (90%) of its total gross receipts derived from all of its activities during the~~  
22 ~~year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable~~  
23 ~~consideration, received during the taxable year in connection with the conduct of the taxpayer's~~  
24 ~~activities.~~

25 ~~(c) A corporation shall not pay the amount of the tax computed on the basis of its net~~  
26 ~~income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten~~  
27 ~~cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of~~  
28 ~~one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the~~  
29 ~~corporation is either a "personal holding company" registered under the federal Investment~~  
30 ~~Company Act of 1940, 15 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real~~  
31 ~~estate investment trust" as defined in the federal income tax law applicable to the taxable year.~~  
32 ~~"Gross income" means gross income as defined in the federal income tax law applicable to the~~  
33 ~~taxable year, plus:~~

34 ~~(1) Any interest not included in the federal gross income; minus~~

1 ~~(2) Interest on obligations of the United States or its possessions, and other interest~~  
2 ~~exempt from taxation by this state; and minus~~

3 ~~(3) Fifty percent (50%) of the excess of capital gains over capital losses realized during~~  
4 ~~the taxable year.~~

5 ~~(d) (1) A small business corporation having an election in effect under subchapter S, 26~~  
6 ~~U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except~~  
7 ~~that the corporation shall be subject to the provisions of subsection (a), to the extent of the income~~  
8 ~~that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after~~  
9 ~~January 1, 2015, a small business corporation having an election in effect under subchapter S, 26~~  
10 ~~U.S.C. § 1261 et seq., shall be subject to the minimum tax under § 44-11-2(e).~~

11 ~~(2) The shareholders of the corporation who are residents of Rhode Island shall include~~  
12 ~~in their income their proportionate share of the corporation's federal taxable income.~~

13 ~~(3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]~~

14 ~~(4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]~~

15 ~~(e) Minimum tax. The tax imposed upon any corporation under this section, including a~~  
16 ~~small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et~~  
17 ~~seq., shall not be less than four hundred fifty dollars (\$450) four hundred dollars (\$400)~~

18 **44-11-2. Imposition of tax.** -- (a) Each corporation shall annually pay to the state a tax  
19 equal to nine percent (9%) of net income, as defined in § 44-11-11, qualified in § 44-11-12, and  
20 apportioned to this state as provided in §§ 44-11-13 -- 44-11-15, for the taxable year. For tax  
21 years beginning on or after January 1, 2015, each corporation shall annually pay to the state a tax  
22 equal to seven percent (7.0%) of net income, as defined in § 44-11-13 - 44-11-15, for the taxable  
23 year.

24 (b) A corporation shall pay the amount of any tax as computed in accordance with  
25 subsection (a) of this section after deducting from "net income," as used in this section, fifty  
26 percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if  
27 for the taxable year:

28 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its  
29 own behalf and not as a broker, underwriter, or distributor;

30 (2) Its gross receipts derived from these activities during the taxable year amounted to at  
31 least ninety percent (90%) of its total gross receipts derived from all of its activities during the  
32 year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable  
33 consideration, received during the taxable year in connection with the conduct of the taxpayer's  
34 activities.

1 (c) A corporation shall not pay the amount of the tax computed on the basis of its net  
2 income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten  
3 cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of  
4 one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the  
5 corporation is either a "personal holding company" registered under the federal Investment  
6 Company Act of 1940, 15 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real  
7 estate investment trust" as defined in the federal income tax law applicable to the taxable year.  
8 "Gross income" means gross income as defined in the federal income tax law applicable to the  
9 taxable year, plus:

10 (1) Any interest not included in the federal gross income; minus

11 (2) Interest on obligations of the United States or its possessions, and other interest  
12 exempt from taxation by this state; and minus

13 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during  
14 the taxable year.

15 (d) (1) A small business corporation having an election in effect under subchapter S, 26  
16 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except  
17 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income  
18 that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after  
19 January 1, 2015, a small business corporation having an election in effect under subchapter S, 26  
20 U.S.C. § 1261 et seq., shall be subject to the minimum tax under § 44-11-2(e).

21 (2) The shareholders of the corporation who are residents of Rhode Island shall include  
22 in their income their proportionate share of the corporation's federal taxable income.

23 (3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

24 (4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

25 (e) Minimum tax. - The tax imposed upon any corporation under this section, including a  
26 small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et  
27 seq., shall not be less than four hundred fifty dollars (\$450). [For tax years beginning on or after](#)  
28 [January 1, 2017 the tax imposed shall not be less than four hundred dollars \(\\$400\).](#)

29 SECTION 10. Section 44-11-3 of the General Laws in Chapter 44-11 entitled "Business  
30 Corporation Tax" is hereby amended to read as follows:

31 **44-11-3. Filing of returns -- Due date.** - [\(a\) For tax years beginning before January 1,](#)  
32 [2016, a](#) ~~A~~ return in the form and containing the information that the tax administrator may  
33 prescribe shall be filed with the tax administrator by the taxpayer:

34 (1) In case the taxable year of the taxpayer is the calendar year, on or before March 15 in

1 the year following the close of the taxable year; and

2 (2) In case the taxable year of the taxpayer is a fiscal year, on or before the fifteenth  
3 (15th) day of the third (3rd) month following the close of the fiscal year.

4 (b) For tax years beginning after December 31, 2015, a return in the form and containing  
5 the information as the tax administrator may prescribe shall be filed with the tax administrator by  
6 the taxpayer taxed as an S corporation and shall be filed on or before the date a federal tax return  
7 is due to be filed, without regard to extension.

8 (c) For tax years beginning after December 31, 2015 a return in the form and containing  
9 the information that the tax administrator may prescribe shall be filed with the tax administrator  
10 by the taxpayer taxed as a C corporation and shall be filed on or before the date a federal return is  
11 due to be filed, without regard to extension.

12 (d) Notwithstanding the provisions of subsection (a) and (b) of this section, a C  
13 corporation with a tax year ending June 30 shall, in accordance with federal tax filing  
14 requirements, not change its filing date until mandated by federal law which is currently due to be  
15 effective close of fiscal year ending June 30, 2026.

16 SECTION 11. Section 44-13-6 of the General Laws in Chapter 44-13 entitled "Public  
17 Service Corporation Tax" is hereby amended to read as follows:

18 **44-13-6. Due date of annual return. --** Every corporation shall file a return with the tax  
19 administrator on or before March 1 of each year. For tax years beginning after December 31,  
20 2015, a return in the form and containing the information as the tax administrator may prescribe  
21 shall be filed with the tax administrator by every corporation and shall be filed on or before the  
22 date its federal tax return is due to be filed, without regard to extension.

23 SECTION 12. Section 44-14-6 of the General Laws in Chapter 44-14 entitled "Taxation  
24 of Banks" is hereby amended to read as follows:

25 **44-14-6. Filing of annual return. -- (a)** Every taxpayer shall file a return with the tax  
26 administrator:

27 (1) In case the taxable year of the taxpayer is the calendar year, on or before March 15 in  
28 the year following the close of the taxable year; and

29 (2) In case the taxable year of the taxpayer is a fiscal year, on or before the fifteenth  
30 (15th) day of the third (3rd) month following the close of the fiscal year.

31 (b) For tax years beginning after December 31, 2015 a return in the form and containing  
32 the information that the tax administrator may prescribe shall be filed with the tax administrator  
33 by the taxpayer on or before the date a federal return is due to be filed, without regard to  
34 extension.

1 SECTION 13. Section 44-17-1 of the General Laws in Chapter 44-17 entitled "Taxation  
2 of Insurance Companies" is hereby amended to read as follows:

3 **44-17-1. Companies required to file -- Payment of tax -- Retaliatory rates.** -- Every  
4 domestic, foreign, or alien insurance company, mutual association, organization, or other insurer,  
5 including any health maintenance organization, as defined in § 27-41-1, any medical malpractice  
6 insurance joint underwriters association as defined in § 42-14.1-1, any nonprofit dental service  
7 corporation as defined in § 27-20.1-2 and any nonprofit hospital or medical service corporation,  
8 as defined in chapters 27-19 and 27-20, except companies mentioned in § 44-17-6, and  
9 organizations defined in § 27-25-1, transacting business in this state, shall, on or before ~~March 1~~  
10 [April 15](#) in each year, file with the tax administrator, in the form that he or she may prescribe, a  
11 return under oath or affirmation signed by a duly authorized officer or agent of the company,  
12 containing information that may be deemed necessary for the determination of the tax imposed by  
13 this chapter, and shall at the same time pay an annual tax to the tax administrator of two percent  
14 (2%) of the gross premiums on contracts of insurance, except for ocean marine insurance, as  
15 referred to in § 44-17-6, covering property and risks within the state, written during the calendar  
16 year ending December 31st next preceding, but in the case of foreign or alien companies, except  
17 as provided in § 27-2-17(d) the tax is not less in amount than is imposed by the laws of the state  
18 or country under which the companies are organized upon like companies incorporated in this  
19 state or upon its agents, if doing business to the same extent in the state or country.

20 SECTION 14. Section 44-18-7.3 of the General Laws in Chapter 44-18 entitled "Sales  
21 and Use Taxes - Liability and Computation" is hereby amended to read as follows:

22 **44-18-7.3. Services defined.** -- (a) "Services" means all activities engaged in for other  
23 persons for a fee, retainer, commission, or other monetary charge, which activities involve the  
24 performance of a service in this state as distinguished from selling property.

25 (b) The following businesses and services performed in this state, along with the  
26 applicable 2007 North American Industrial Classification System (NAICS) codes, are included in  
27 the definition of services:

28 (1) Taxicab and limousine services including but not limited to:

29 (i) Taxicab services including taxi dispatchers (485310); and

30 (ii) Limousine services (485320).

31 (2) Other road transportation service including but not limited to:

32 (i) Charter bus service (485510); ~~and~~

33 [\(ii\) "Transportation network companies" \(TNC\) defined as an entity that uses a digital](#)  
34 [network to connect transportation network company riders to transportation network operators](#)

1 [who provide prearranged rides. Any TNC operating in this state is a retailer as provided in §44-](#)  
2 [18-15 and is required to file a business application and registration form and obtain a permit to](#)  
3 [make sales at retail with the tax administrator, to charge, collect, and remit Rhode Island sales](#)  
4 [and use tax; and](#)

5 ~~(ii)~~(iii) All other transit and ground passenger transportation (485999).

6 (3) Pet care services (812910) except veterinary and testing laboratories services.

7 (4) (i) "Room reseller" or "reseller" means any person, except a tour operator as defined  
8 in § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as  
9 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the  
10 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a  
11 portion of the rental and other fees to the room reseller or reseller, room reseller or reseller shall  
12 include, but not be limited to, sellers of travel packages as defined in this section.  
13 Notwithstanding the provisions of any other law, where said reservation or transfer of occupancy  
14 is done using a room reseller or reseller, the application of the sales and use under §§ 44-18-18  
15 and 44-18-20, and the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or  
16 reseller is required to register with and shall collect and pay to the tax administrator the sales and  
17 use and hotel taxes, with said taxes being calculated upon the amount of rental and other fees paid  
18 by the occupant to the room reseller or reseller, less the amount of any rental and other fees paid  
19 by the room reseller or reseller to the hotel. The hotel shall collect and pay to the tax  
20 administrator said taxes upon the amount of rental and other fees paid to the hotel by the room  
21 reseller or reseller and/or the occupant. No assessment shall be made by the tax administrator  
22 against a hotel because of an incorrect remittance of the taxes under this chapter by a room  
23 reseller or reseller. No assessment shall be made by the tax administrator against a room reseller  
24 or reseller because of an incorrect remittance of the taxes under this chapter by a hotel. If the  
25 hotel has paid the taxes imposed under this chapter, the occupant and/or room reseller or reseller,  
26 as applicable, shall reimburse the hotel for said taxes. If the room reseller or reseller has paid said  
27 taxes, the occupant shall reimburse the room reseller or reseller for said taxes. Each hotel and  
28 room reseller or reseller shall add and collect from the occupant or the room reseller or the  
29 reseller the full amount of the taxes imposed on the rental and other fees. When added to the  
30 rental and other fees, the taxes shall be a debt owed by the occupant to the hotel or room reseller  
31 or reseller, as applicable, and shall be recoverable at law in the same manner as other debts. The  
32 amount of the taxes collected by the hotel and/or room reseller or reseller from the occupant  
33 under this chapter shall be stated and charged separately from the rental and other fees, and shall  
34 be shown separately on all records thereof, whether made at the time the transfer of occupancy

1 occurs, or on any evidence of the transfer issued or used by the hotel or the room reseller or the  
2 reseller. A room reseller or reseller shall not be required to disclose to the occupant the amount of  
3 tax charged by the hotel; provided, however, the room reseller or reseller shall represent to the  
4 occupant that the separately stated taxes charged by the room reseller or reseller include taxes  
5 charged by the hotel. No person shall operate a hotel in this state, or act as a room reseller or  
6 reseller for any hotel in the state, unless the tax administrator has issued a permit pursuant to §  
7 44-19-1.

8 (ii) "Travel package" means a room or rooms bundled with one or more other, separate  
9 components of travel such as air transportation, car rental or similar items, which travel package  
10 is charged to the customer or occupant for a single retail price. When the room occupancy is  
11 bundled for a single consideration, with other property, services, amusement charges, or any other  
12 items, the separate sale of which would not otherwise be subject to tax under this chapter, the  
13 entire single consideration shall be treated as the rental or other fees for room occupancy subject  
14 to tax under this chapter; provided, however, that where the amount of the rental or other fees for  
15 room occupancy is stated separately from the price of such other property, services, amusement  
16 charges, or other items, on any sales slip, invoice, receipt, or other statement given the occupant,  
17 and such rental and other fees are determined by the tax administrator to be reasonable in relation  
18 to the value of such other property, services, amusement charges or other items, only such  
19 separately stated rental and other fees will be subject to tax under this chapter. The value of the  
20 transfer of any room or rooms bundled as part of a travel package may be determined by the tax  
21 administrator from the room reseller's and/or reseller's and/or hotel's books and records that are  
22 kept in the regular course of business.

23 (c) All services as defined herein are required to file a business application and  
24 registration form and obtain a permit to make sales at retail with the tax administrator, to charge,  
25 collect, and remit Rhode Island sales and use tax.

26 ~~(e)~~(d) The tax administrator is authorized to promulgate rules and regulations in  
27 accordance with the provisions of chapter 42-35 to carry out the provisions, policies, and  
28 purposes of this chapter.

29 SECTION 15. Section 44-30-2.6 of General Laws in Chapter 44-30 entitled "Personal  
30 Income Tax" is hereby amended to read as follows:

31 **44-30-2.6. Rhode Island taxable income -- Rate of tax.** -- (a) "Rhode Island taxable  
32 income" means federal taxable income as determined under the Internal Revenue Code, 26 U.S.C.  
33 § 1 et seq., not including the increase in the basic standard deduction amount for married couples  
34 filing joint returns as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003 and



1 the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and as modified by  
2 the modifications in § 44-30-12.

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

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

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

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

32 (A) Tax imposed.

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

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

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

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

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

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

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

26	If taxable income is:	The tax is:
27	Not over \$26,575	3.75% of taxable income
28	Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
29	Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250
30	Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
31	Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850

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

34	If taxable income is:	The tax is:
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1	Not over \$2,150	3.75% of taxable income
2	Over \$2,150 but not over \$5,000	\$80.63 plus 7.00% of the excess over \$2,150
3	Over \$5,000 but not over \$7,650	\$280.13 plus 7.75% of the excess over \$5,000
4	Over \$7,650 but not over \$10,450	\$485.50 plus 9.00% of the excess over \$7,650
5	Over \$10,450	\$737.50 plus 9.90% of the excess over \$10,450

6 (6) Adjustments for inflation. The dollars amount contained in paragraph (A) shall be  
7 increased by an amount equal to:

- 8 (a) Such dollar amount contained in paragraph (A) in the year 1993, multiplied by;
- 9 (b) The cost-of-living adjustment determined under section (J) with a base year of 1993;
- 10 (c) The cost-of-living adjustment referred to in subparagraph (a) and (b) used in making
- 11 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall
- 12 be determined under section (J) by substituting "1994" for "1993."

13 (B) Maximum capital gains rates

14 (1) In general If a taxpayer has a net capital gain for tax years ending prior to January 1,  
15 2010, the tax imposed by this section for such taxable year shall not exceed the sum of:

- 16 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section
- 17 26 U.S.C. 1(h)(1)(a) and 26 U.S.C. 1(h)(1)(b).
- 18 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
- 19 1(h)(1)(c).
- 20 (c) 6.25% of the net capital gain as reported for federal income tax purposes under 26
- 21 U.S.C. 1(h)(1)(d).
- 22 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
- 23 1(h)(1)(e).

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

26 (C) Itemized deductions.

27 (1) In general

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

30 (2) Individuals who do not itemize their deductions In the case of an individual who does  
31 not elect to itemize his deductions for the taxable year, they may elect to take a standard  
32 deduction.

33 (3) Basic standard deduction. The Rhode Island standard deduction shall be allowed in  
34 accordance with the following table:

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

6 (4) Additional standard deduction for the aged and blind. An additional standard  
7 deduction shall be allowed for individuals age sixty-five (65) or older or blind in the amount of  
8 \$1,300 for individuals who are not married and \$1,050 for individuals who are married.

9 (5) Limitation on basic standard deduction in the case of certain dependents. In the case  
10 of an individual to whom a deduction under section (E) is allowable to another taxpayer, the basic  
11 standard deduction applicable to such individual shall not exceed the greater of:

12 (a) \$850;

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

14 (6) Certain individuals not eligible for standard deduction. In the case of:

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

16 (b) Nonresident alien individual;

17 (c) An estate or trust;

18 The standard deduction shall be zero.

19 (7) Adjustments for inflation. Each dollars amount contained in paragraphs (3), (4) and  
20 (5) shall be increased by an amount equal to:

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

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

24 (D) Overall limitation on itemized deductions

25 (1) General rule.

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

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

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

33 (2) Applicable amount.

34 (a) In general.

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

3 (b) Adjustments for inflation. Each dollar amount contained in paragraph (a) shall be  
4 increased by an amount equal to:

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

8 (a) In general.

9 In the case of taxable year beginning after December 31, 2005, and before January 1,  
10 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which  
11 would be the amount of such reduction.

12 (b) Applicable fraction. For purposes of paragraph (a), the applicable fraction shall be  
13 determined in accordance with the following table:

14 For taxable years beginning in calendar year	The applicable fraction is
15 2006 and 2007	2/3
16 2008 and 2009	1/3

17 (E) Exemption amount

18 (1) In general.

19 Except as otherwise provided in this subsection, the term "exemption amount" mean  
20 \$3,400.

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

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

25 (3) Adjustments for inflation.

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

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

30 (a) In general.

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

33 (b) Applicable percentage. In the case of any taxpayer whose adjusted gross income for  
34 the taxable year exceeds the threshold amount, the exemption amount shall be reduced by two (2)

1 percentage points for each \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross  
 2 income for the taxable year exceeds the threshold amount. In the case of a married individual  
 3 filing a separate return, the preceding sentence shall be applied by substituting "\$1,250" for  
 4 "\$2,500." In no event shall the applicable percentage exceed one hundred percent (100%).

5 (c) Threshold Amount. For the purposes of this paragraph, the term "threshold amount"  
 6 shall be determined with the following table:

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

12 (d) Adjustments for inflation.

13 Each dollars amount contain in paragraph (b) shall be increased by an amount equal to:

- 14 (i) Such dollar amount contained in paragraph (b) in the year 1991, multiplied by
- 15 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

16 (5) Phase-out of Limitation.

17 (a) In general.

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

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

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

26 (F) Alternative minimum tax

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

- 29 (a) The tentative minimum tax for the taxable year, over
- 30 (b) The regular tax for the taxable year.

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

- 32 (a) 6.5 percent of so much of the taxable excess as does not exceed \$175,000, plus
- 33 (b) 7.0 percent of so much of the taxable excess above \$175,000.

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

1 alternative minimum tax foreign tax credit for the taxable year.

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

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

7 (6) Exemption amount. For purposes of this section "exemption amount" means:

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

14 (7) Treatment of unearned income of minor children

15 (a) In general.

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

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

19 (ii) \$6,000.

20 (8) Adjustments for inflation.

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

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

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

26 (9) Phase-out.

27 (a) In general.

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

31 (b) Threshold amount. For purposes of this paragraph, the term "threshold amount" shall  
32 be determined with the following table:

33 Filing status	Amount
34 Single	\$123,250

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

5 (c) Adjustments for inflation

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

- 7 (i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by
- 8 (ii) The cost-of-living adjustment determined under section (J) with a base year of 2004.

9 (G) Other Rhode Island taxes

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

- 12 (a) The Federal income tax on lump-sum distributions.
- 13 (b) The Federal income tax on parents' election to report child's interest and dividends.
- 14 (c) The recapture of Federal tax credits that were previously claimed on Rhode Island  
15 return.

16 (H) Tax for children under 18 with investment income

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

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

19 (I) Averaging of farm income

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

- 22 (a) The Federal averaging of farm income as determined in IRC section 1301.

23 (J) Cost-of-living adjustment

24 (1) In general.

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

- 26 (a) The CPI for the preceding calendar year exceeds
- 27 (b) The CPI for the base year.

28 (2) CPI for any calendar year. For purposes of paragraph (1), the CPI for any calendar  
29 year is the average of the Consumer Price Index as of the close of the twelve (12) month period  
30 ending on August 31 of such calendar year.

31 (3) Consumer Price Index

32 For purposes of paragraph (2), the term "consumer price index" means the last consumer  
33 price index for all urban consumers published by the department of labor. For purposes of the  
34 preceding sentence, the revision of the consumer price index which is most consistent with the



1 consumer price index for calendar year 1986 shall be used.

2 (4) Rounding.

3 (a) In general.

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

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

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

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

12 (2) Child and dependent care credit;

13 (3) General business credits;

14 (4) Credit for elderly or the disabled;

15 (5) Credit for prior year minimum tax;

16 (6) Mortgage interest credit;

17 (7) Empowerment zone employment credit;

18 (8) Qualified electric vehicle credit.

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

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

30 (N) Rhode Island earned income credit

31 (1) In general.

32 For tax years beginning before January 1, 2015 a taxpayer entitled to a federal earned  
33 income credit shall be allowed a Rhode Island earned income credit equal to twenty-five percent  
34 (25%) of the federal earned income credit. Such credit shall not exceed the amount of the Rhode

1 Island income tax.

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

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

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

14 (2) Refundable portion.

15 In the event the Rhode Island earned income credit allowed under paragraph (N)(1) of  
16 this section ~~(H)~~ exceeds the amount of Rhode Island income tax, a refundable earned income  
17 credit shall be allowed as follows.

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

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

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

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

33 (A) Tax imposed.

34 (I) There is hereby imposed on the taxable income of married individuals filing joint

1 returns, qualifying widow(er), every head of household, unmarried individuals, married  
 2 individuals filing separate returns and bankruptcy estates, a tax determined in accordance with the  
 3 following table:

RI Taxable Income		RI Income Tax	
Over	But not Over	Pay + % On Excess	On The Amount Over
5 \$0 -	\$55,000	\$0 + 3.75%	\$0
7 55,000 -	125,000	2,063 + 4.75%	55,000
8 125,000 -		5,388 + 5.99%	125,000

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

RI Taxable Income		RI Income Tax	
Over	But not Over	Pay + % On Excess	On The Amount Over
13 \$0 -	\$2,230	\$0 + 3.75%	\$0
14 2,230 -	7,022	84 + 4.75%	2,230
15 7,022 -		312 + 5.99%	7,022

16 (B) Deductions:

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

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

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

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

32 (C) Exemption Amount:

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

1 purposes.

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

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

12 (E) Adjustment for inflation. - The dollar amount contained in subparagraphs 44-30-  
13 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  
14 equal to:

15 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-  
16 2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000,  
17 multiplied by;

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

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

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

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

33 (E) Credits against tax.

34 (I) Notwithstanding any other provisions of Rhode Island Law, for tax years beginning on

1 or after January 1, 2011, the only credits allowed against a tax imposed under this chapter shall be  
2 as follows:

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

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

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

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

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

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

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

18 (h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for  
19 contributions to scholarship organizations as provided in § 44-62 et seq.

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

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

29 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in  
30 §42-64.20-1 et seq.

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

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

1 SECTION 16. Section 44-30-12 of the General Laws in Chapter 44-30 entitled "Personal  
2 Income Tax" is hereby amended to read as follows:

3 **44-30-12. Rhode Island income of a resident individual.** -- (a) General. - The Rhode  
4 Island income of a resident individual means his or her adjusted gross income for federal income  
5 tax purposes, with the modifications specified in this section.

6 (b) Modifications increasing federal adjusted gross income. - There shall be added to  
7 federal adjusted gross income:

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

10 (2) Interest or dividend income on obligations or securities of any authority, commission,  
11 or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the  
12 extent exempted by the laws of the United States from federal income tax but not from state  
13 income taxes;

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

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

18 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal  
19 Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-  
20 6.1; and

21 (B) A withdrawal or distribution which is:

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

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

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

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

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

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

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

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

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

16 (c) Modifications reducing federal adjusted gross income. - There shall be subtracted  
17 from federal adjusted gross income:

18 (1) Any interest income on obligations of the United States and its possessions to the  
19 extent includible in gross income for federal income tax purposes, and any interest or dividend  
20 income on obligations, or securities of any authority, commission, or instrumentality of the  
21 United States to the extent includible in gross income for federal income tax purposes but exempt  
22 from state income taxes under the laws of the United States; provided, that the amount to be  
23 subtracted shall in any case be reduced by any interest on indebtedness incurred or continued to  
24 purchase or carry obligations or securities the income of which is exempt from Rhode Island  
25 personal income tax, to the extent the interest has been deducted in determining federal adjusted  
26 gross income or taxable income;

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

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

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

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

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

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

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

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

11 (iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal  
12 adjusted gross income to less than zero (0);

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

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

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

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

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

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

34 (7) Modification for organ transplantation. - (i) An individual may subtract up to ten



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

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

9 (A) Travel expenses.

10 (B) Lodging expenses.

11 (C) Lost wages.

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

14 (8) Modification for taxable Social Security income.

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

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

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

25 (ii) Adjustment for inflation. - The dollar amount contained in subparagraphs 44-30-  
26 12(c)(8)(i)(A) and 44-30-12(c)(8)(i)(B) shall be increased annually by an amount equal to:

27 (A) Such dollar amount contained in subparagraphs 44-30-12(c)(8)(i)(A) and 44-30-  
28 12(c)(8)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

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

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

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

5 (v) If any increase determined under this section is not a multiple of fifty dollars  
6 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the  
7 case of a married individual filing separate return, if any increase determined under this section is  
8 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower  
9 multiple of twenty-five dollars (\$25.00).

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

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

15 (A) For a person who has attained the age used for calculating full or unreduced social  
16 security retirement benefits who files a return as an unmarried individual, head of household or  
17 married filing separate whose federal adjusted gross income for such taxable year is less than the  
18 amount used for the modification contained in §44-30-12(c)(8)(i)(A) an amount not to exceed  
19 \$15,000 of taxable pension and/or annuity income includable in federal adjusted gross income; or

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

25 (ii) Adjustment for inflation. The dollar amount contained by reference in §§44-30-  
26 12(c)(9)(i)(A) and 44-30-12(c)(9)(i)(B) shall be increased annually for tax years beginning on or  
27 after January 1, 2018 by an amount equal to:

28 (A) Such dollar amount contained by reference in §§44-30-12(c)(9)(i)(A) and 44-30-  
29 12(c)(9)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by:

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

31 (iii) For the purposes of this section the cost-of-living adjustment for any calendar year is  
32 the percentage (if any) by which the consumer price index for the preceding calendar year  
33 exceeds the consumer price index for the base year. The consumer price index for any calendar  
34 year is the average of the consumer price index as of the close of the twelve (12) month period

1 ending on August 31, of such calendar year.

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

6 (v) If any increase determined under this section is not a multiple of fifty dollars  
7 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the  
8 case of a married individual filing a separate return, if any increase determined under this section  
9 is not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower  
10 multiple of twenty-five dollars (\$25.00).

11 (d) Modification for Rhode Island fiduciary adjustment. - There shall be added to or  
12 subtracted from federal adjusted gross income (as the case may be) the taxpayer's share, as  
13 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-  
14 30-17.

15 (e) Partners. - The amounts of modifications required to be made under this section by a  
16 partner, which relate to items of income or deduction of a partnership, shall be determined under  
17 § 44-30-15.

18 SECTION 17. Section 44-31.2-11 of the General Laws in Chapter 44-31.2 entitled  
19 "Motion Picture Production Tax Credits" is hereby amended to read as follows:

20 **44-31.2-11. Sunset.** -- No credits shall be issued on or after July 1, ~~2019~~ 2021 unless the  
21 production has received initial certification under subsection 44-31.2-6(a) prior to July 1, ~~2019~~  
22 2021.

23 SECTION 18. Section 44-33.6-11 of the General Laws in Chapter 44-33.6 entitled  
24 "Historic Preservation Tax Credits 2013" is hereby amended to read as follows:

25 **44-33.6-11. Sunset.** -- No credits shall be authorized to be reserved pursuant to this  
26 chapter on or after June 30, ~~2016~~ 2017 or upon the exhaustion of the maximum aggregate credits,  
27 whichever comes first.

28 SECTION 19. Section 42-17.1-9.1 of the General Laws in Chapter 42-17.1 entitled  
29 "Department of Environmental Management" is hereby amended to read as follows:

30 **42-17.1-9.1. User fees at state beaches, parks, and recreation areas.** -- (a) The  
31 department of environmental management in pursuance of its administrative duties and  
32 responsibilities may charge a user fee for any state beach, or recreational area under its  
33 jurisdiction, and fees for the use of its services or facilities.

34 (b) The fee may be on a daily or annual basis, or both, and may be based on vehicle

1 parking or other appropriate means. The fees may recognize the contribution of Rhode Island  
2 taxpayers to support the facilities in relation to other users of the state's facilities. The fee  
3 structure may acknowledge the need to provide for all people, regardless of circumstances.

4 (c) An additional fee for camping and other special uses may be charged where  
5 appropriate. Rates so charged should be comparable to equivalent commercial facilities.

6 (d) All such fees shall be established after a public hearing.

7 (e) All daily fees from beach parking, which shall also include fees charged and  
8 collected at Ninigret conservation area and Charlestown breachway, shall be shared with the  
9 municipality in which the facility is located on the basis of ~~eighty-four percent (84%)~~ seventy-  
10 three percent (73%) retained by the state and ~~sixteen percent (16%)~~ twenty-seven percent (27%)  
11 remitted to the municipality; provided, further, from July 1, 2016 until October 1, 2016 the beach  
12 fees charged and collected under this subsection shall be equal to those in effect on June 30,  
13 2011. Further, purchasers of season passes between May 14, 2016 and June 30, 2016 shall be  
14 eligible to receive a credit for the difference between the amount of the July 1, 2016 fee and the  
15 amount originally paid. Said credits may be applied against the purchase of a season pass in 2017.

16 (f) Fifty percent (50%) of all user and concession fees received by the state shall be  
17 deposited as general revenues. For the year beginning July 1, 1979, the proportion of user and  
18 concession fees to be received by the state shall be sixty-five percent (65%); for the year  
19 beginning July 1, 1980, eighty-five percent (85%); and for the year beginning July 1, 1981, and  
20 all years thereafter, one hundred percent (100%). The general revenue monies appropriated are  
21 hereby specifically dedicated to meeting the costs of development, renovation of, and acquisition  
22 of state-owned recreation areas and for regular maintenance, repair and operation of state owned  
23 recreation areas. Purchases of vehicles and equipment and repairs to facilities shall not exceed  
24 four hundred thousand dollars (\$400,000) annually. Notwithstanding the provisions of § 37-1-1 or  
25 any other provision of the general laws, the director of the department of environmental  
26 management is hereby authorized to accept any grant, devise, bequest, donation, gift, or  
27 assignment of money, bonds, or other valuable securities for deposit in the same manner as  
28 provided above for user and concession fees retained by the state.

29 (g) No fee shall be charged to any school or other nonprofit organization provided that a  
30 representative of the school or other organization gives written notice of the date and time of their  
31 arrival to the facility.

32 SECTION 20. Sections 4, 5, 6, 10, 11, 12, and 13 shall take effect upon passage and shall  
33 apply to tax years beginning on or after January 1, 2016. Sections 9, 15, and 16 shall take effect  
34 as of January 1, 2017. The remainder of the article shall take effect as of July 1, 2016.