ARTICLE 6 AS AMENDED

RELATING TO TAXES AND REVENUE

SECTION 1. Sections 5-65-5, 5-65-8 and 5-65-9 of the General Laws in Chapter 5-65 entitled “Contractors’ Registration and Licensing Board” are hereby amended to read as follows:

5-65-5. Registered application.

(a) A person who wishes to register as a contractor shall submit an application upon a form prescribed by the board. The application shall include:

(1) Workers' compensation insurance account number, or company name if a number has not yet been obtained, if applicable;

(2) Unemployment insurance account number, if applicable;

(3) State withholding tax account number, if applicable;

(4) Federal employer identification number, if applicable, or if self-employed and participating in a retirement plan;

(5)(i) The individual(s) name and business address and residential address of:

(A) Each partner or venturer, if the applicant is a partnership or joint venture;

(B) The owner, if the applicant is an individual proprietorship;

(C) The corporation officers and a copy of corporate papers filed with the Rhode Island secretary of state's office, if the applicant is a corporation;

(ii) Post office boxes are not acceptable as the only address;

(6) A statement as to whether or not the applicant has previously applied for registration, or is or was an officer, partner, or venturer of an applicant who previously applied for registration and if so, the name of the corporation, partnership, or venture;

(7) Valid insurance certificate for the type of work being performed.

(b) A person may be prohibited from registering or renewing a registration as a contractor under the provisions of this chapter or his or her registration may be revoked or suspended if he or she has any unsatisfied or outstanding judgments from arbitration, bankruptcy, courts, or administrative agency against him or her relating to his or her work as a contractor, and provided, further, that a statement shall be provided to the board attesting to the information herein.

(c) Failure to provide or falsified information on an application, or any document required by this chapter, is punishable by a fine not to exceed ten thousand dollars ($10,000) and/or
relating to taxes and revenue

(d) An applicant must be at least eighteen (18) years of age.
(e) Satisfactory proof shall be provided to the board evidencing the completion of five (5) two and one-half (2.5) hours of continuing education units that will be required to be maintained by residential contractors as a condition of registration as determined by the board pursuant to established regulations.
(f) A certification in a form issued by the board shall be completed upon registration or license or renewal to ensure contractors are aware of certain provisions of this law and shall be signed by the registrant before a registration can be issued or renewed.

(a) A certificate of registration shall be valid for two (2) years from the date of issuance unless the registration is revoked or suspended as described in § 5-65-10. It may be renewed by the same procedure provided for an original registration upon application and furnishing of any additional supplemental information that the board may require by rule.
(b) The board shall issue a pocket-card certificate of registration to a contractor registered under this chapter including a picture of the registrant as prescribed by the board in the rules and regulations. The Rhode Island department of administration, division of motor vehicles, shall, upon the board's request, provide electronic copies of the digital photos of any registrant under this chapter on record to be incorporated into the contractors' registration data bank to match the drivers' licenses or IDs provided by registrants or applicants unless the applicant provides written notification to the board to the contrary.
(c) The board may vary the dates of registration renewal by giving to the registrant written notice of the renewal date assigned and by making appropriate adjustments in the renewal fee.
(d) The presentation of the registration or license identification card shall be mandatory at the time of permit application.
(e) If a registrant files in bankruptcy court, the board must be notified in writing by the registrant and kept informed of the status of the case until dismissed, discharged, or resolved in court.

5-65-9. Registration fee.
(a) Each applicant shall pay to the board:
(1) For original registration or renewal of registration, a fee of two hundred dollars ($200)
one hundred and fifty dollars ($150).
(2) A fee for all changes in the registration, as prescribed by the board, other than those due to clerical errors.
(b) All fees and fines collected by the board shall be deposited as general revenues to support the activities set forth in this chapter until June 30, 2008. Beginning July 1, 2008, all fees and fines collected by the board shall be deposited into a restricted-receipt account for the exclusive use of supporting programs established by this chapter.

(c) On or before January 15, 2018, and annually thereafter, the board shall file a report with the speaker of the house and the president of the senate, with copies to the chairpersons of the house and senate finance committees, detailing:

(1) The total number of fines issued, broken down by category, including the number of fines issued for a first violation and the number of fines issued for a subsequent violation;

(2) The total dollar amount of fines levied;

(3) The total amount of fees, fines, and penalties collected and deposited for the most recently completed fiscal year; and

(4) The account balance as of the date of the report.

(d) Each year, the department of business regulation shall prepare a proposed budget to support the programs approved by the board. The proposed budget shall be submitted to the board for its review. A final budget request shall be submitted to the legislature as part of the department of business regulation's annual request.

(e) New or renewal registrations may be filed online or with a third-party approved by the board, with the additional cost incurred to be borne by the registrant.

SECTION 2. Section 73-4 of Chapter 5 of the General Laws entitled “Roofing Contractors” is hereby amended to read as follows:

5-73-4. Registration fee.

All roofing contractors shall submit a payment in the amount of four hundred dollars ($400), which shall support the licensing program, representing a license fee along with the application referenced in § 5-73-3, and be required to comply with the provisions of chapter 65 of this title and those provisions shall be interpreted to include commercial roofers as defined in this chapter. Beginning July 1, 2008, all fines and fees collected pursuant to this chapter shall be deposited into a restricted-receipt account for the exclusive use of supporting programs established by the board. The license shall expire every two (2) years on the anniversary date of the license's issuance and may be renewed upon payment of a two hundred dollar ($200) fee.

SECTION 3. Section 7-11-206 of the General Laws in Chapter 7-11 entitled “Rhode Island Uniform Securities Act” is hereby amended to read as follows:

7-11-206. Licensing and notice fees; and filing requirements for federal covered advisers.
(a) A federal covered adviser or an applicant for licensing shall pay an annual fee as follows:

1. Broker-dealer three hundred dollars ($300) and for each branch office one hundred dollars ($100);
2. Sales representative seventy-five dollars ($75.00) one hundred dollars ($100.00);
3. Investment adviser three hundred dollars ($300);
4. Investment adviser representative sixty dollars ($60.00); and
5. Federal covered adviser three hundred dollars ($300).

(b) Except with respect to federal covered advisers whose only clients are those described in § 7-11-204(1)(i), a federal covered adviser shall file any documents filed with the U.S. Securities and Exchange Commission with the director, that the director requires by rule or order, together with any notice fee and consent to service of process that the director requires by rule or order. The notice filings under this subsection expire annually on December 31, unless renewed.

(c) A notice filing under this section is effective from receipt until the end of the calendar year. A notice filing may be renewed by filing any documents that have been filed with the U.S. Securities and Exchange Commission as required by the director along with a renewal fee of three hundred dollars ($300).

(d) A federal covered adviser may terminate a notice filing upon providing the director notice of the termination, which is effective upon receipt by the director.

(e) Notwithstanding the provisions of this section, until October 11, 1999, the director may require the registration as an investment adviser of any federal covered adviser who has failed to promptly pay the fees required by this section after written notification from the director of the nonpayment or underpayment of the fees. A federal covered adviser is considered to have promptly paid the fees if they are remitted to the director within fifteen (15) days following the federal covered adviser’s receipt of written notice from the director.

(f) For purposes of this section, "branch office" means any location where one or more associated persons of a broker-dealer regularly conducts the business of effecting any transactions in, or inducing or attempting to induce the purchase or sale of any security, or is held out as such, excluding:

1. Any location that is established solely for customer service and/or back office type functions where no sales activities are conducted and that is not held out to the public as a branch office;
2. Any location that is the associated person’s primary residence; provided that:
   (i) Only one associated person, or multiple associated persons who reside at that location...
and are members of the same immediate family, conduct business at the location;

(ii) The location is not held out to the public as an office and the associated person does not meet with customers at the location;

(iii) Neither customer funds nor securities are handled at that location;

(iv) The associated person is assigned to a designated branch office, and such designated branch office is reflected on all business cards, stationery, advertisements and other communications to the public by such associated person;

(v) The associated person's correspondence and communications with the public are subject to the firm's supervision in accordance with Rule 3010 of the Financial Industry Regulatory Authority;

(vi) Electronic communications are made through the broker-dealer's electronic system;

(vii) All orders are entered through the designated branch office or an electronic system established by the broker-dealer that is reviewable at the branch office;

(viii) Written supervisory procedures pertaining to supervision of sales activities conducted at the residence are maintained by the broker-dealer; and

(ix) A list of the residence locations is maintained by the broker-dealer;

(3) Any location, other than a primary residence, that is used for securities business for less than thirty (30) business days in any one calendar year, provided the broker-dealer complies with the provisions of subsections (f)(2)(i) through (ix) above;

(4) Any office of convenience, where associated person(s) occasionally and exclusively by appointment meet with customers, which is not held out to the public as an office;

(5) Any location that is used primarily to engage in non-securities activities and from which the associated person(s) effects no more than twenty-five (25) securities transactions in any one calendar year; provided that any advertisement or sales literature identifying such location also sets forth the address and telephone number of the location from which the associated person(s) conducting business at the non-branch locations are directly supervised;

(6) The floor of a registered national securities exchange where a broker-dealer conducts a direct access business with public customers;

(7) A temporary location established in response to the implementation of a business continuity plan.

(g) Notwithstanding the exclusions in subsection (f), any location that is responsible for supervising the activities of persons associated with the broker-dealer at one or more non-branch locations of the broker-dealer is considered to be a branch office.

(h) The term “business day” as used in subsection (f) shall not include any partial business
day provided that the associated person spends at least four (4) hours on such business day at his
or her designated branch office during the hours that such office is normally open for business.

(i) Where such office of convenience is located on bank premises, signage necessary to
comply with applicable federal and state laws, rules and regulations and applicable rules and
regulations of the New York Stock Exchange, other self-regulatory organizations, and securities
and banking regulators may be displayed and shall not be deemed “holding out” for purposes of
subsection (f)(4).

(j) If an application is denied or withdrawn or the license is revoked, suspended, or
withdrawn, the director is not required to refund the fee paid.

(k) The director may issue a stop order suspending the activities of a federal covered
adviser in this state if the director reasonably believes there has been a violation of the provisions
of this section.

SECTION 4. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled “Licensing
of Health Care Facilities” is hereby amended to read as follows:

23-17-38.1. Hospitals – Licensing fee.

(a) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon the
net patient services revenue of every hospital for the hospital’s first fiscal year ending on or after
January 1, 2017, except that the license fee for all hospitals located in Washington County, Rhode
Island shall be discounted by thirty-seven percent (37%). The discount for Washington County
hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human
Services of a state plan amendment submitted by the executive office of health and human services
for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This
licensing fee shall be administered and collected by the tax administrator, division of taxation
within the department of revenue, and all the administration, collection, and other provisions of
chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator
on or before July 10, 2019, and payments shall be made by electronic transfer of monies to the
general treasurer and deposited to the general fund. Every hospital shall, on or before June 14,
2019, make a return to the tax administrator containing the correct computation of net patient-
services revenue for the hospital fiscal year ending September 30, 2017, and the licensing fee due
upon that amount. All returns shall be signed by the hospital’s authorized representative, subject to
the pains and penalties of perjury.

(b) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon
the net patient services revenue of every hospital for the hospital’s first fiscal year ending on or
after January 1, 2018, except that the license fee for all hospitals located in Washington County,
Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection, and other provisions of Chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 13, 2020, and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 15, 2020, make a return to the tax administrator containing the correct computation of net patient-services revenue for the hospital fiscal year ending September 30, 2018, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(c) There is also imposed a hospital licensing fee for state fiscal year 2021 against each hospital in the state. The hospital licensing fee is equal to five percent (5.0%) of the net patient-services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2019, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection, and other provisions of Chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 13, 2021, and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 15, 2020, make a return to the tax administrator containing the correct computation of net patient-services revenue for the hospital fiscal year ending September 30, 2018, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(d) There is also imposed a hospital licensing fee for state fiscal year 2022 against each hospital in the state. The hospital licensing fee is equal to five and seven hundred twenty-five thousandths percent (5.725%) of the net patient-services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2020, except that the license fee for all hospitals...
located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%).

The discount for Washington County hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection, and other provisions of Chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 13, 2022, and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund.

Every hospital shall, on or before June 15, 2022, make a return to the tax administrator containing the correct computation of net patient-services revenue for the hospital fiscal year ending September 30, 2020, and the licensing fee due upon that amount. All returns shall be signed by the hospital’s authorized representative, subject to the pains and penalties of perjury.

(d) For purposes of this section the following words and phrases have the following meanings:

(1) “Hospital” means the actual facilities and buildings in existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license, regardless of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital conversions) and § 23-17-6(b) (change in effective control), that provides short-term acute inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital through receivership, special mastership, or other similar state insolvency proceedings (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the newly negotiated rates between the court-approved purchaser and the health plan, and such rates shall be effective as of the date that the court-approved purchaser and the health plan execute the initial agreement containing the newly negotiated rate. The rate-setting methodology for inpatient hospital payments and outpatient hospital payments set forth in §§ 40-8-13.4(b) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual twelve-month (12) period as of July 1 following the completion of the first full year of the court-approved purchaser's initial Medicaid managed care contract.

(2) "Gross patient-services revenue” means the gross revenue related to patient care services.

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

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

(f) The licensing fee imposed by subsection (b) shall apply to hospitals as defined herein that are duly licensed on July 1, 2019, and shall be in addition to the inspection fee imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with this section.

(g) The licensing fee imposed by subsection (c) shall apply to hospitals as defined herein that are duly licensed on July 1, 2020, and shall be in addition to the inspection fee imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with this section.

SECTION 5. Section 42-17.1-9.1 of the General Laws in Chapter 42-17.1 entitled “User fees at state beaches, parks, and recreation areas” is hereby amended to read as follows:

42-17.1-9.1. User fees at state beaches, parks, and recreation areas.

(a) The department of environmental management in pursuance of its administrative duties and responsibilities may charge a user fee for any state beach, or recreational area under its jurisdiction, and fees for the use of its services or facilities.

(b) The fee may be on a daily or annual basis, or both, and may be based on vehicle parking or other appropriate means. The fees may recognize the contribution of Rhode Island taxpayers to support the facilities in relation to other users of the state's facilities. The fee structure may acknowledge the need to provide for all people, regardless of circumstances.

(c) An additional fee for camping and other special uses may be charged where appropriate.

Rates so charged should be comparable to equivalent commercial facilities.

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

(e) All daily fees from beach parking, which shall also include fees charged and collected at Ninigret conservation area and Charlestown breachway, shall be shared with the municipality in which the facility is located on the basis of seventy-three percent (73%) retained by the state and twenty-seven percent (27%) remitted to the municipality; provided, further, from July 1, 2016, until October 1, 2021, the beach fees charged and collected under this subsection shall be equal to those in effect on June 30, 2011.

(1) Notwithstanding subsection (e), effective July 1, 2021, the fees charged and collected for facilities located in the town of Westerly may exceed those in effect on June 30, 2011, in an amount to be reasonably determined by the department of environmental management.

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

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

SECTION 6. Sections 44-19-1 and 44-19-2 of the General Laws in Chapter 44-19 entitled “Sales and Use Taxes – Enforcement and Collection” are hereby amended to read as follows:

**44-19-1. Annual permit required – Retail business subject to sales tax – Promotion of shows – Revocation of show permit.**

(a)(1) Every person desiring to engage in or conduct within this state a business of making sales at retail, or engage in a business of renting living quarters in any hotel, rooming house, or tourist camp, the gross receipts from which sales or rental charges are required to be included in the measure of the tax imposed under chapter 18 of this title, shall file with the tax administrator an application for a permit for each place of business. The application shall be in a form, include information, and bear any signatures that the tax administrator may require. **At the time of making an application, the applicant shall pay to the tax administrator a permit fee of ten dollars ($10.00) for each permit. There shall be no fee for this permit.** Every permit issued under this chapter expires on June 30 of each year at the times prescribed by the tax administrator.

(2) Every permit holder shall annually, on or before February 1 on forms prescribed and at the times prescribed by the tax administrator of each year, renew its permit by filing an application for renewal along with a ten dollars ($10.00) renewal fee. The renewal permit is valid for the period July 1 of that calendar year through June 30 of the subsequent calendar year unless otherwise canceled, suspended or revoked. All fees received under this section are allocated to the tax administrator for enforcement and collection of all taxes.

(b)(1) Every promoter of a show shall, at least ten (10) days prior to the opening of each
show, file with the tax administrator a notice stating the location and dates of the show, in a form prescribed by the tax administrator.

(2) The tax administrator shall, within five (5) days after the receipt of that notice, issue to the promoter, without charge, a permit to operate the show, unless the provisions of subdivision (5) of this subsection have been applied to the promoter. No promoter may operate a show without obtaining the permit. The permit shall be prominently displayed at the main entrance of the show.

(3) Any promoter who is a retailer shall comply with all of the provisions of this chapter and chapter 18 relating to retailers, in addition to all of the provisions of this chapter relating to promoters.

(4) A promoter may not permit any person to display or sell tangible personal property, services, or food and drink at a show unless that person is registered under subsection (a) of this section and displays his or her permit in accordance with the provisions of subsection (a) of this section.

(5) Any promoter who permits any person to display or sell tangible personal property, services, or food and drink at a show who is not registered, or does not display a permit, or fails to keep a record or file a monthly report of the name, address and permit number of every person whom the promoter permitted to sell or display tangible personal property, services, or food and drink at a show, is subject to revocation of all existing permits issued pursuant to this section to operate a show, and to the denial of a permit to operate any show for a period of not more than two years, in addition to the provisions of § 44-19-31.

44-19-2. Issuance of permit – Assignment prohibited – Display – Fee for renewal after suspension or revocation.

Upon receipt of the required application and permit fee, the tax administrator shall issue to the applicant a separate permit for each place of business within the state. If the applicant, at the time of making the application, owes any tax, penalty, or interest imposed under chapters 18 and 19 of this title, then before a permit is issued the applicant shall pay the amount owed. A permit is not assignable and is valid only for the person in whose name it is issued and for the transaction of business at the place designated in the permit. The permit shall at all times be conspicuously displayed at the place for which issued. A retailer whose permit has been previously suspended or revoked shall pay to the tax administrator a fee of ten dollars ($10.00) for the renewal or issuance of a permit.

SECTION 7. Sections 46-23-7.1, 46-23-7.3 and 46-23-7.4 of the General Laws in Chapter 46-23 of entitled “Coastal Resources Management Council” are hereby amended to read as follows:

46-23-7.1. Administrative penalties.
Any person who violates, or refuses or fails to obey, any notice or order issued pursuant to § 46-23-7(a); or any assent, order, or decision of the council, may be assessed an administrative penalty by the chairperson or executive director in accordance with the following:

1. The chairperson or executive director is authorized to assess an administrative penalty of not more than two thousand five hundred dollars ($2,500) for each violation of this section, and is authorized to assess additional penalties of not more than five hundred dollars ($500) for each day during which this violation continues after receipt of a cease and desist order from the council pursuant to § 46-23-7(a), but in no event shall the penalties in an aggregate equal or exceed ten thousand dollars ($10,000). Prior to the assessment of a penalty under this subdivision, the property owner or person committing the violation shall be notified by certified mail or personal service that a penalty is being assessed. The notice shall include a reference to the section of the law, rule, regulation, assent, order, or permit condition violated; a concise statement of the facts alleged to constitute the violation; a statement of the amount of the administrative penalty assessed; and a statement of the party's right to an administrative hearing.

2. The party shall have twenty-one (21) days from receipt of the notice within which to deliver to the council a written request for a hearing. This request shall specify in detail the statements contested by the party. The executive director shall designate a person to act as hearing officer. If no hearing is requested, then after the expiration of the twenty-one (21) day period, the council shall issue a final order assessing the penalty specified in the notice. The penalty is due when the final order is issued. If the party shall request a hearing, any additional daily penalty shall not commence to accrue until the council issues a final order.

3. If a violation is found to have occurred, the council may issue a final order assessing not more than the amount of the penalty specified in the notice. The penalty is due when the final order is issued.

4. The party may within thirty (30) days appeal the final order, of fine assessed by the council to the superior court which shall hear the assessment of the fine de novo.

46-23-7.3. Criminal penalties.

Any person who knowingly violates any provision of this chapter, the coastal resources management program, or any rule, regulation, assent, or order shall be guilty of a misdemeanor, and, upon conviction thereof shall be fined not more than five hundred dollars ($500) or by imprisonment of not more than three (3) months or both; and each day the violation is continued or repeated shall be deemed a separate offense.

46-23-7.4. Penalty for blocking or posting of rights-of-way.
Any person who shall post or block any tidal water, public right-of-way, as designated by the council, shall be punished by a fine not exceeding five hundred dollars ($500) or by imprisonment for not more than three (3) months or both; and each day the posting or blocking continues or is repeated shall be deemed a separate offense. The chairperson of the council, through council’s legal counsel or the attorney general, may apply to any court of competent jurisdiction for an injunction to prevent the unlawful posting or blocking of any tidal water, public right-of-way.

SECTION 8. Section 42-61.2-5 of the General Laws in Chapter 42-61.2 entitled “Video-Lottery Games, Table Games and Sports Wagering” is hereby amended to read as follows:

42-61.2-5. Allocation of sports-wagering and online sports-wagering revenue.

(a) Notwithstanding the provisions of § 42-61-15, the division of lottery is authorized to enter into an agreement to allocate sports-wagering revenue derived from sports wagering and online sports wagering at the hosting facilities between the state, the state’s authorized sports-wagering vendor, and the host facilities. The allocation of sports-wagering revenue and online sports-wagering revenue shall be:

(1) To the state, fifty-one percent (51%) of sports-wagering revenue and online sports-wagering revenue;

(2) To the state's authorized sports-wagering vendor, thirty-two percent (32%) of sports-wagering revenue and online sports-wagering revenue; and

(3) To the host facilities, seventeen percent (17%) of sports-wagering revenue and online sports-wagering revenue.

(b) Sports-wagering revenue and online sports-wagering revenue allocated to the state shall be deposited into the state lottery fund for administrative purposes and then the balance remaining into the general fund.

(c) The town of Lincoln shall be paid an annual flat fee of one hundred thousand dollars ($100,000) and the town of Tiverton shall be paid an annual flat fee of one hundred thousand dollars ($100,000) in compensation for serving as the host communities for sports wagering.

SECTION 9. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled “Video-Lottery Games, Table Games and Sports Wagering” is hereby amended to read as follows:

42-61.2-7. Division of revenue.

(a) Notwithstanding the provisions of Section 42-61-15, the allocation of net terminal income derived from video lottery games is as follows:

(1) For deposit in the general fund and to the Division fund for administrative purposes:
Net, terminal income not otherwise disbursed in accordance with subdivisions (a)(2) -- (a)(6) inclusive, or otherwise disbursed in accordance with subsections (g)(2) and (h)(2):

(i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one percent (0.19%), up to a maximum of twenty million dollars ($20,000,000), shall be equally allocated to the distressed communities (as defined in Section 45-13-12) provided that no eligible community shall receive more than twenty-five percent (25%) of that community's currently enacted municipal budget as its share under this specific subsection. Distributions made under this specific subsection are supplemental to all other distributions made under any portion of General Laws Section 45-13-12. For the fiscal year ending June 30, 2008, distributions by community shall be identical to the distributions made in the fiscal year ending June 30, 2007, and shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total state distribution shall be the same total amount distributed in the fiscal year ending June 30, 2008, and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the total state distribution shall be the same total amount distributed in the fiscal year ending June 30, 2009, and shall be made from general appropriations, provided, however, that seven hundred eighty-four thousand four hundred fifty-eight dollars ($784,458) of the total appropriation shall be distributed equally to each qualifying distressed community. For each of the fiscal years ending June 30, 2011, June 30, 2012, and June 30, 2013, seven hundred eighty-four thousand four hundred fifty-eight dollars ($784,458) of the total appropriation shall be distributed equally to each qualifying distressed community.

(ii) Five one hundredths of one percent (0.05%), up to a maximum of five million dollars ($5,000,000), shall be appropriated to property tax relief to fully fund the provisions of Section 44-33-2.1 [repealed]. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum amount to the nearest five dollar ($5.00) increment within the allocation until a maximum credit of five hundred dollars ($500) is obtained. In no event shall the exemption in any fiscal year be less than the prior fiscal year.

(iii) One and twenty-two one hundredths of one percent (1.22%) to fund Section 44-34-1-1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum amount to the nearest two hundred fifty dollar ($250) increment within the allocation. In no event shall the exemption in any fiscal year be less than the prior fiscal year.

(iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent (0.10%), to a maximum of ten million dollars ($10,000,000), for supplemental distribution to communities not included in subsection (a)(1)(i) distributed proportionately on the basis of general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008, distributions by community shall be identical to the distributions made in the fiscal year ending
June 30, 2007, and shall be made from general appropriations. For the fiscal year ending June 30, 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010, and thereafter, funding shall be determined by appropriation.

(2) To the licensed, video lottery retailer:

(a)(i) Prior to the effective date of the Newport Grand Master Contract, Newport Grand twenty-six percent (26%), minus three hundred eighty-four thousand nine hundred ninety-six dollars ($384,996);

(ii) On and after the effective date of the Newport Grand Master Contract, to the licensed, video lottery retailer who is a party to the Newport Grand Master Contract, all sums due and payable under said Master Contract, minus three hundred eighty-four thousand nine hundred ninety-six dollars ($384,996).

(iii) Effective July 1, 2013, the rate of net terminal income payable to the licensed, video lottery retailer who is a party to the Newport Grand Master Contract shall increase by two and one quarter percent (2.25%) points. The increase herein shall sunset and expire on June 30, 2015, and the rate in effect as of June 30, 2013, shall be reinstated.

(iv)(A) Effective July 1, 2015, the rate of net terminal income payable to the licensed video lottery retailer who is a party to the Newport Grand Master Contract shall increase over the rate in effect as of June 30, 2013, by one and nine-tenths (1.9) percentage points. (i.e., x% plus 1.9 percentage points equals (x + 1.9)%, where "x%" is the current rate of net terminal income payable to the licensed, video lottery retailer who is a party to the Newport Grand Master Contract). The dollar amount of additional net terminal income paid to the licensed video lottery retailer who is a party to the Newport Grand Master Contract with respect to any Newport Grand Marketing Year as a result of such increase in rate shall be referred to as "Additional Newport Grand Marketing NTI."

(B) The excess, if any, of marketing expenditures incurred by the licensed, video lottery retailer who is a party to the Newport Grand Master Contract with respect to a Newport Grand Marketing Year over one million four hundred thousand dollars ($1,400,000) shall be referred to as the "Newport Grand Marketing Incremental Spend." Beginning with the Newport Grand Marketing Year that starts on July 1, 2015, after the end of each Newport Grand Marketing Year, the licensed, video lottery retailer who is a party to the Newport Grand Master Contract shall pay to the Division the amount, if any, by which the Additional Newport Grand Marketing NTI for such Newport Grand Marketing Year exceeds the Newport Grand Marketing Incremental Spend for such Newport Grand Marketing Year; provided however, that such video lottery retailer's liability to the Division hereunder with respect to any Newport Grand Marketing Year shall never exceed the
Additional Newport Grand Marketing NTI paid to such video lottery retailer with respect to such Newport Grand Marketing Year.

The increase in subsection 2(a)(iv) shall sunset and expire upon the commencement of the operation of casino gaming at Twin River-Tiverton's facility located in the town of Tiverton, and the rate in effect as of June 30, 2013, shall be reinstated.

(b)(i) Prior to the effective date of the UTGR master contract, to the present, licensed, video lottery retailer at Lincoln Park, which is not a party to the UTGR master contract, twenty-eight and eighty-five one hundredths percent (28.85%), minus seven hundred sixty-seven thousand six hundred eighty-seven dollars ($767,687);

(ii) On and after the effective date of the UTGR master contract, to the licensed, video lottery retailer that is a party to the UTGR master contract, all sums due and payable under said master contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars ($767,687).

(3) Except for the period commencing on January 1, 2023 and expiring on June 30, 2043, (i) To the technology providers that are not a party to the GTECH Master Contract as set forth and referenced in P.L. 2003, ch. 32, seven percent (7%) of the net terminal income of the provider's terminals; in addition thereto, technology providers that provide premium or licensed proprietary content or those games that have unique characteristics, such as 3D graphics; unique math/game play features; or merchandising elements to video lottery terminals may receive incremental compensation, either in the form of a daily fee or as an increased percentage, if all of the following criteria are met:

(A) A licensed, video lottery retailer has requested the placement of premium or licensed proprietary content at its licensed, video lottery facility;

(B) The division of lottery has determined in its sole discretion that the request is likely to increase net terminal income or is otherwise important to preserve or enhance the competitiveness of the licensed, video lottery retailer;

(C) After approval of the request by the division of lottery, the total number of premium or licensed, proprietary-content video lottery terminals does not exceed ten percent (10%) of the total number of video lottery terminals authorized at the respective licensed, video lottery retailer; and

(D) All incremental costs are shared between the division and the respective licensed, video lottery retailer based upon their proportionate allocation of net terminal income. The division of lottery is hereby authorized to amend agreements with the licensed, video lottery retailers, or the technology providers, as applicable, to effect the intent herein.

(ii) To contractors that are a party to the master contract as set forth and referenced in P.L.
2003, ch. 32, all sums due and payable under said master contract; and

(iii) Notwithstanding paragraphs (i) and (ii), there shall be subtracted proportionately from the payments to technology providers the sum of six hundred twenty-eight thousand seven hundred thirty-seven dollars ($628,737) which shall be distributed pursuant to Section 42-61.2-7(b)(3)(iii).

With respect to the period commencing on January 1, 2023 and expiring on June 30, 2043,

(i) To the exclusive technology provider, all sums due and payable under the VLT Agreement;

(ii) Notwithstanding paragraph (i), there shall be subtracted proportionately from the exclusive technology provider the sum of six hundred twenty-eight thousand seven hundred thirty-seven dollars ($628,737) which shall be distributed pursuant to Section 42-61.2-7(b)(3)(iii); and

(iii) To IGT, all sums due and payable under the Video Lottery Agreement.

(4)(A) Until video lottery games are no longer operated at the Newport Grand gaming facility located in Newport, to the city of Newport one and one hundredth percent (1.01%) of net terminal income of authorized Video Lottery Terminals at Newport Grand, except that effective November 9, 2009, until June 30, 2013, the allocation shall be one and two tenths percent (1.2%) of net terminal income of authorized Video Lottery Terminals at Newport Grand for each week the facility operates video lottery games on a twenty-four-hour (24) basis for all eligible hours authorized; and

(B) Upon commencement of the operation of video lottery games at the Tiverton gaming facility, to the town of Tiverton one and forty-five hundredths percent (1.45%) of net terminal income of authorized Video Lottery Terminals at the Tiverton gaming facility, subject to subsection (g)(2); and

(C) To the town of Lincoln, one and twenty-six hundredths percent (1.26%) of net terminal income of authorized Video Lottery Terminals at the Lincoln gaming facility except that:

(i) Effective November 9, 2009, until June 30, 2013, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of authorized Video Lottery Terminals at the Lincoln gaming facility for each week video lottery games are offered on a twenty-four-hour (24) basis for all eligible hours authorized; and

(ii) Effective July 1, 2013, provided that the referendum measure authorized by P.L. 2011, ch. 151, article 25 as amended, section 4, is approved statewide and in the Town of Lincoln, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of authorized Video Lottery Terminals at the Lincoln gaming facility, subject to subsection (h)(2); and

(5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
terminal income of authorized Video Lottery Terminals at the Lincoln gaming facility, up to a
maximum of ten million dollars ($10,000,000) per year, that shall be paid to the Narragansett Indian
Tribe for the account of a Tribal Development Fund to be used for the purpose of encouraging and
promoting: home ownership and improvement; elderly housing; adult vocational training; health
and social services; childcare; natural resource protection; and economic development consistent
with state law. Provided, however, such distribution shall terminate upon the opening of any
gaming facility in which the Narragansett Indians are entitled to any payments or other incentives;
and provided, further, any monies distributed hereunder shall not be used for, or spent on,
previously contracted debts; and

(6) Unclaimed prizes and credits shall remit to the general fund of the state; and

(7) Payments into the state's general fund specified in subsections (a)(1) and (a)(6) shall be
made on an estimated monthly basis. Payment shall be made on the tenth day following the close
of the month except for the last month when payment shall be on the last business day.

(b) Notwithstanding the above, the amounts payable by the Division to UTGR related to
the marketing program described in the UTGR master contract (as such may be amended from time
to time) shall be paid on a frequency agreed by the Division, but no less frequently than annually.

(c) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director
is authorized to fund the marketing program as described in the UTGR master contract.

(d) Notwithstanding the above, the amounts payable by the Division to the licensed, video
lottery retailer who is a party to the Newport Grand Master Contract related to the marketing
program described in the Newport Grand Master Contract (as such may be amended from time to
time) shall be paid on a frequency agreed by the Division, but no less frequently than annually.

(e) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director
is authorized to fund the marketing program as described in the Newport Grand Master Contract.

(f) Notwithstanding the provisions of Section 42-61-15, but subject to Section 42-61.2-7(h), the allocation of net table-game revenue derived from table games at the Lincoln gaming
facility is as follows:

(1) For deposit into the state lottery fund for administrative purposes and then the balance
remaining into the general fund:

(i) Sixteen percent (16%) of net table-game revenue, except as provided in Section 42-61.2-7(f)(1)(ii);

(ii) An additional two percent (2%) of net table-game revenue generated at the Lincoln
gaming facility shall be allocated starting from the commencement of table games activities by
such table-game retailer and ending, with respect to such table-game retailer, on the first date that
such table-game retailer's net terminal income for a full state fiscal year is less than such table-
game retailer's net terminal income for the prior state fiscal year, at which point this additional
allocation to the state shall no longer apply to such table-game retailer.

(2) To UTGR, net table-game revenue not otherwise disbursed pursuant to subsection
(f)(1); provided, however, on the first date that such table-game retailer's net terminal income for a
full state fiscal year is less than such table-game retailer's net terminal income for the prior state
fiscal year, as set forth in subsection (f)(1)(ii), one percent (1%) of this net table-game revenue
shall be allocated to the town of Lincoln for four (4), consecutive state fiscal years.

(g) Notwithstanding the provisions of Section 42-61-15, the allocation of net table-game
revenue derived from table games at the Tiverton gaming facility is as follows:

(1) Subject to subsection (g)(2) of this section, one percent (1%) of net table-game revenue
shall be allocated to the town of Tiverton;

(2) Fifteen and one-half percent (15.5%) of net table-game revenue shall be allocated to
the state first for deposit into the state lottery fund for administrative purposes and then the balance
remaining into the general fund; provided however, that beginning with the first state fiscal year
that the Tiverton gaming facility offers patrons video lottery games and table games for all of such
state fiscal year, for that initial state fiscal year and each subsequent state fiscal year that such
Tiverton gaming facility offers patrons video lottery games and table games for all of such state
fiscal year, if the town of Tiverton has not received an aggregate of three million dollars
($3,000,000) in the state fiscal year from net table-game revenues and net terminal income,
combined, generated by the Tiverton gaming facility ("Tiverton Minimum"), then the state shall
make up such shortfall to the town of Tiverton out of the state's percentage of net table-game
revenue set forth in this subsection (g)(2) and net terminal income set forth in subsections (a)(1)
and (a)(6), so long as there has not been a closure of the Tiverton gaming facility for more than
thirty (30) consecutive days during such state fiscal year, and, if there has been such a closure, then
the Tiverton Minimum, if applicable, shall be prorated per day of such closure and any closure(s)
thereafter for that state fiscal year; notwithstanding the foregoing, with respect to fiscal year 2021,
because of the closure of the Tiverton gaming facility due to the COVID-19 pandemic, the town of
Tiverton shall receive no less than a total of three million dollars ($3,000,000) as an aggregate
payment for net, table-game revenues, net terminal income, and the shortfall from the state,
combined; provided further however, if in any state fiscal year either video lottery games or table
games are no longer offered in the Tiverton gaming facility, then the state shall not be obligated
to make up the shortfall referenced in this subsection (g)(2); and

(3) Net, table-game revenue not otherwise disbursed pursuant to subsections (g)(1) and
(g)(2) of this section shall be allocated to Twin River-Tiverton.

(h) Notwithstanding the foregoing Section 42-61.2-7(f) and superseding that section effective upon the first date that the Tiverton gaming facility offers patrons video lottery games and table games, the allocation of net table-game revenue derived from table games at the Lincoln gaming facility shall be as follows:

(1) Subject to subsection (h)(2), one percent (1%) of net table-game revenue shall be allocated to the town of Lincoln;

(2) Fifteen and one-half percent (15.5%) of net table-game revenue shall be allocated to the state first for deposit into the state lottery fund for administrative purposes and then the balance remaining into the general fund; provided however, that beginning with the first state fiscal year that the Tiverton gaming facility offers patrons video lottery games and table games for all of such state fiscal year, for that state fiscal year and each subsequent state fiscal year that the Tiverton gaming facility offers patrons video lottery games and table games for all of such state fiscal year, if the town of Lincoln has not received an aggregate of three million dollars ($3,000,000) in the state fiscal year from net table-game revenues and net terminal income, combined, generated by the Lincoln gaming facility ("Lincoln Minimum"), then the state shall make up such shortfall to the town of Lincoln out of the state's percentage of net table-game revenue set forth in this subsection (h)(2) and net terminal income set forth in subsections (a)(1) and (a)(6), so long as there has not been a closure of the Tiverton gaming facility for more than thirty (30) consecutive days during such state fiscal year, and, if there has been such a closure, then the Lincoln Minimum, if applicable, shall be prorated per day of such closure and any closure(s) thereafter for that state fiscal year; provided further however, if in any state fiscal year either video lottery games or table games are no longer offered at the Tiverton gaming facility, then the state shall not be obligated to make up the shortfall referenced in this subsection (h)(2); and

(3) Net, table-game revenue not otherwise disbursed pursuant to subsections (h)(1) and (h)(2) shall be allocated to UTGR.

SECTION 10. Section 44-1-7 of the General Laws in Chapter 44-1 entitled “State Tax Officials” is hereby amended to read as follows:

44-1-7. Interest on delinquent payments.

(a) Whenever the full amount of any state tax or any portion or deficiency, as finally determined by the tax administrator, has not been paid on the date when it is due and payable, whether the time has been extended or not, there shall be added as part of the tax or portion or deficiency interest at the rate as determined in accordance with subsection (b) of this section, notwithstanding any general or specific statute to the contrary.
(b) Each January 1 the tax administrator shall compute the rate of interest to be in effect for that calendar year by adding two percent (2%) to the prime rate, which was in effect on October 1 of the preceding year. In no event shall the rate of interest exceed twenty-one percent (21%) per annum nor be less than eighteen percent (18%) per annum.

(c) "Prime rate" as used in subsection (b) of this section means the predominant prime rate quoted by commercial banks to large businesses as determined by the board of governors of the Federal Reserve System.

(d) Notwithstanding any provisions of the general laws to the contrary, the tax administrator shall waive interest and penalty on the taxable portion of each Paycheck Protection Program loan taxed pursuant to § 44-11-11(a)(1)(iv), § 44-14-11, and § 44-30-12(b)(8) of the general laws and forgiven during tax year 2020 provided that the tax on that portion is paid in full on or before March 31, 2022. The tax administrator shall make available suitable forms with instructions for making tax payments on the taxable portion of such forgiven Paycheck Protection Program loans.

SECTION 11. Section 44-11-11 of the General Laws in Chapter 44-11 entitled “Net income’ defined” is hereby amended to read as follows:


(a)(1) "Net income” means, for any taxable year and for any corporate taxpayer, the taxable income of the taxpayer for that taxable year under the laws of the United States, plus:

(i) Any interest not included in the taxable income;
(ii) Any specific exemptions;
(iii) The tax imposed by this chapter; and minus:
(iv) For any taxable year beginning on or after January 1, 2020, the amount of any Paycheck Protection Program loan forgiven for federal income tax purposes as authorized by the Coronavirus Aid, Relief, and Economic Security Act and/or the Consolidated Appropriations Act, 2021 and/or any other subsequent federal stimulus relief packages enacted by law, to the extent that the amount of the loan forgiven exceeds $250,000; and minus:
(v) Interest on obligations of the United States or its possessions, and other interest exempt from taxation by this state; and
(vi) The federal net operating loss deduction.

(2) All binding federal elections made by or on behalf of the taxpayer applicable either directly or indirectly to the determination of taxable income shall be binding on the taxpayer except where this chapter or its attendant regulations specifically modify or provide otherwise. Rhode Island taxable income shall not include the "gross-up of dividends" required by the federal Internal
Revenue Code to be taken into taxable income in connection with the taxpayer's election of the foreign tax credit.

(b) A net operating loss deduction shall be allowed, which shall be the same as the net operating loss deduction allowed under 26 U.S.C. § 172, except that:

(1) Any net operating loss included in determining the deduction shall be adjusted to reflect the inclusions and exclusions from entire net income required by subsection (a) of this section and § 44-11-11.1;

(2) The deduction shall not include any net operating loss sustained during any taxable year in which the taxpayer was not subject to the tax imposed by this chapter; and

(3) The deduction shall not exceed the deduction for the taxable year allowable under 26 U.S.C. § 172; provided, that the deduction for a taxable year may not be carried back to any other taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for the five (5) succeeding taxable years.

c) "Domestic international sales corporations" (referred to as DISCs), for the purposes of this chapter, will be treated as they are under federal income tax law and shall not pay the amount of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

d) A corporation that qualifies as a "foreign sales corporation" (FSC) under the provisions of subchapter N, 26 U.S.C. § 861 et seq., and that has in effect for the entire taxable year a valid election under federal law to be treated as a FSC, shall not pay the amount of the tax computed under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same manner as it is treated under federal income tax law as it exists on January 1, 1985.

e) For purposes of a corporation's state tax liability, any deduction to income allowable under 26 U.S.C. § 1400Z-2(c) may be claimed in the case of any investment held by the taxpayer for at least seven years. The division of taxation shall promulgate, in its discretion, rules and regulations relative to the accelerated application of deductions under 26 U.S.C. § 1400Z-2(c).

SECTION 12. Section 44-14-11 of the General Laws in Chapter 44-14 entitled "Gross income" defined is hereby amended to read as follows:


"Gross income" includes all gains, profits, and income of the taxpayer from whatever sources derived during the income period; provided, that gains from the sale or other disposition of any property other than securities shall not be included in gross income, and losses from the sale or other disposition of any property other than securities shall not be deducted from gross income.

For taxable year beginning on or after January 1, 2020, gross income includes the amount of any
Paycheck Protection Program loan forgiven for federal income tax purposes as authorized by the
Coronavirus Aid, Relief, and Economic Security Act and/or the Consolidated Appropriations Act,
2021 and/or any other subsequent federal stimulus relief packages enacted by law, to the extent that
the amount of loan forgiven exceeds $250,000.

SECTION 13. Section 44-30-12 of the General Laws in Chapter 44-30 entitled “Rhode
Island income of a resident individual” is hereby amended to read as follows:

44-30-12. Rhode Island income of a resident individual.

(a) General. The Rhode Island income of a resident individual means his or her adjusted
gross income for federal income tax purposes, with the modifications specified in this section.

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

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

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

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

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

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

(B) A withdrawal or distribution that is:

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

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

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

(ii) In the event of a nonqualified withdrawal under subsection (b)(4)(i)(A) or (b)(4)(i)(B) of this section, there shall be added to the federal adjusted gross income of that person for the taxable year of the withdrawal an amount equal to the lesser of:

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

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

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

(6) The amount equal to any unemployment compensation received but not included in federal adjusted gross income; and

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

(8) For any taxable year beginning on or after January 1, 2020, the amount of any Paycheck Protection Program loan forgiven for federal income tax purposes as authorized by the Coronavirus Aid, Relief, and Economic Security Act and/or the Consolidated Appropriations Act, 2021 and/or any other subsequent federal stimulus relief packages enacted by law, to the extent that the amount of the loan forgiven exceeds $250,000, including an individual’s distributive share of the amount of a pass-through entity’s loan forgiveness in excess of $250,000.

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

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

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

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

(4) Contributions made to an account under the tuition savings program, including the
"contributions carryover" pursuant to subsection (c)(4)(iv) of this section, if any, subject to the
following limitations, restrictions and qualifications:

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

(ii) The following shall not be considered contributions:

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

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

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

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

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

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

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

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

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

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

(7) **Modification for organ transplantation.**

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

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

   (A) Travel expenses.

   (B) Lodging expenses.

   (C) Lost wages.

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

(8) **Modification for taxable Social Security income.**

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

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

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

   (ii) Adjustment for inflation. The dollar amount contained in subsections (c)(8)(i)(A) and
(c)(8)(i)(B) of this section shall be increased annually by an amount equal to:

(A) Such dollar amount contained in subsections (c)(8)(i)(A) and (c)(8)(i)(B) of this section adjusted for inflation using a base tax year of 2000, multiplied by;

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

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

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

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

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

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

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

(B) For a married individual filing jointly or individual filing qualifying widow(er) who has attained the age used for calculating full or unreduced social security retirement benefits whose joint federal adjusted gross income for such taxable year is less than the amount used for the modification contained in subsection (c)(8)(i)(B) of this section an amount not to exceed $15,000 of taxable pension and/or annuity income includable in federal adjusted gross income.
(ii) Adjustment for inflation. The dollar amount contained by reference in subsections (c)(9)(i)(A) and (c)(9)(i)(B) of this section shall be increased annually for tax years beginning on or after January 1, 2018 by an amount equal to:

(A) Such dollar amount contained by reference in subsections (c)(9)(i)(A) and (c)(9)(i)(B) of this section adjusted for inflation using a base tax year of 2000, multiplied by;

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

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

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

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

(10) Modification for Rhode Island investment in opportunity zones. For purposes of a taxpayer's state tax liability, in the case of any investment in a Rhode Island opportunity zone by the taxpayer for at least seven (7) years, a modification to income shall be allowed for the incremental difference between the benefit allowed under 26 U.S.C. § 1400Z-2(b)(2)(B)(iv) and the federal benefit allowed under 26 U.S.C. § 1400Z-2(c).

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

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

SECTION 14. Sections 1 through 8 of this article shall take effect July 1, 2021. Sections 9 through 13 of this article shall take effect upon passage.