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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO TAXATION -- SALES AND USE TAXES--LIABILITY AND  
COMPUTATION

Introduced By: Senators Doyle, Nesselbush, and Conley

Date Introduced: February 28, 2013

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-18-30.B of the General Laws in Chapter 44-18 entitled "Sales  
2 and Use Taxes - Liability and Computation" is hereby amended to read as follows:

3 **44-18-30.B. Exemption from sales tax for sales by writers, composers, artists --**

4 **Findings.** -- (a) The general assembly makes the following findings of facts:

5 (1) The downtown area of the city of Providence has been characterized by blighted  
6 areas, and dilapidated and abandoned structures;

7 (2) As a result, the downtown area has been designated an economic development zone  
8 in order to stop the deterioration and stimulate economic activity;

9 (3) The capitol center area of the city of Providence has become an attractive location,  
10 especially with the construction of the Providence Place Mall;

11 (4) In order to promote, revitalize and redevelop the "Old Downtown" area of the city of  
12 Providence it is necessary to provide tax exemptions to this area as it has been designated as an  
13 economic development zone;

14 (5) In order to promote, revitalize, and redevelop the "Downtown or other industrial or  
15 manufacturing buildings" located in the City of Pawtucket, it is necessary to provide tax  
16 exemptions to this area as it has been designated as an economic development zone;

17 (6) The development of an active artistic community, including "artists in residence", in  
18 this area would promote economic development, revitalization, tourism, employment

1 opportunities, and encourage business development by providing alternative commercial  
2 enterprises while in Providence creating a link between the Old Downtown and the Capital Center  
3 Area;

4 (7) There is a separate artistic community in the town of Westerly which is important to  
5 preserve, promote, and revitalize, and which is distinct from that in the city of Providence;

6 (8) There is a separate artistic community in the city of Woonsocket which is important  
7 to promote and revitalize and which is distinct from that in the cities of Providence and Pawtucket  
8 and the town of Westerly;

9 (9) There is a separate artistic community in the city of Warwick which is important to  
10 preserve, promote, and revitalize and which is distinct from that in the cities of Providence,  
11 Pawtucket, Woonsocket and the town of Westerly;

12 (10) There are separate artistic communities in the city of Newport and in the town of  
13 Tiverton which are important to promote and revitalize and which are distinct from those in the  
14 cities of Providence, Pawtucket, Warwick and Woonsocket and the towns of Westerly and Little  
15 Compton;

16 (11) There is a separate artistic community in the town of Warren which is important to  
17 promote and revitalize and which is distinct from that in the cities of Providence, Pawtucket,  
18 Newport, Warwick and Woonsocket and the towns of Westerly and Tiverton.

19 (b) (1) This section only applies to sales by writers, composers and artists residing in and  
20 conducting a business within a section of the defined economic development zone in the cities of  
21 Providence or Pawtucket, or the defined economic development zone in the town of Westerly or  
22 the defined economic zone in the city of Woonsocket, or the defined economic zone in the city of  
23 Warwick, or in those areas within the city of Newport, and the town of Little Compton, which are  
24 zoned "general business," "waterfront business," or "limited business" or have been designated  
25 by the city of Newport as part of the arts district, or in those areas of the town of Warren which  
26 are zoned "waterfront district," "special district," "village business district," "manufacturing  
27 district," "business district" or "Warren historic district," or in those areas of the town of Tiverton  
28 which are zoned "business commercial," "business waterfront" or "village commercial." For the  
29 purposes of this section, a "work" means an original and creative work, whether written,  
30 composed or executed for "one-of-a-kind limited" production and which falls into one of the  
31 following categories:

32 (i) A book or other writing;

33 (ii) A play or the performance of said play;

34 (iii) A musical composition or the performance of said composition;

- 1 (iv) A painting or other like picture;
- 2 (v) A sculpture;
- 3 (vi) Traditional and fine crafts;
- 4 (vii) The creation of a film or the acting within the film;
- 5 (viii) The creation of a dance or the performance of the dance.

6 (2) For the purposes of this section, a "work" includes any product generated as a result  
7 of any of the above categories.

8 (3) For the purposes of this section, a "work" does not apply to any piece or performance  
9 created or executed for industry oriented or related production.

10 (c) (1) This section applies to sales by any individual:

11 (i) Who is a resident of and has a principal place of business situated in the section of the  
12 economic development zone designated as the arts and entertainment district in the downtown  
13 area of the city of Providence or in the city of Pawtucket, or the defined economic development  
14 zone in the town of Westerly or the defined economic zone in the city of Woonsocket, or the  
15 defined economic zone in the city of Warwick, or who is a resident of and has a principal place of  
16 business situated in those areas within the city of Newport or the town of Little Compton, which  
17 are zoned "general business," "waterfront business," or "limited business," or have been  
18 designated by the city of Newport as part of the arts district, or who is a resident of and has a  
19 principal place of business situated in those areas within the town of Warren which are zoned  
20 "waterfront district," "special district," "village business district," "manufacturing district,"  
21 "business district" or "Warren historic district," or who is a resident or has a principal place of  
22 business situated in those areas within the town of Tiverton which are zoned "business  
23 commercial," "business waterfront" or "village commercial." For the purposes of this section, the  
24 Providence arts and entertainment district in Providence is defined as the area bounded by Pine  
25 Street to the southeast, ~~Dorrance Street~~ [Memorial Boulevard](#) to the northeast, Sabin Street [and](#)  
26 [Exchange Terrace](#) to the northwest and Empire Street to the southwest. Said Providence arts and  
27 entertainment district also includes the area beginning at the point of intersection of Acorn Street  
28 and Harris Avenue, then turning east onto Atwells Avenue to Service Road 7, then turning  
29 southerly onto Service Road 7 to Westminster Street, then turning westerly onto Westminster  
30 Street, continuing until Bridgham, then turning south onto Bridgham to Cranston Street, then  
31 turning southwesterly onto Cranston Street, then continuing to Messer Street, then turning north  
32 onto Messer Street to Westminster Street, turning west onto Westminster Street to US Hwy 6 off  
33 ramp, then heading west on US Hwy 6 to Sheridan Street, then heading northeast on Sheridan  
34 Street to Aleppo Street, then turning southeast along Aleppo Street to Pelham Street, then heading

1 northeast on Pelham Street to Manton Avenue, then continuing southeast on Manton Avenue until  
2 Delaine Street, then heading northeast on Delaine Street until Appleton Street, then continuing  
3 northwesterly on Appleton Street until Bowdoin Street, then heading north on Bowdoin Street  
4 until Barstow Street, then heading east on Barstow until Valley Street, then heading northeast on  
5 Valley Street to Hemlock Street, then turning southeast on Hemlock Street until Promenade  
6 Street, then heading east on Promenade Street to Acorn Street, then heading south on Acorn  
7 Street to the intersection of Acorn Street and Harris Avenue. The named streets are included in  
8 the Providence district; and in Pawtucket is defined as the area beginning at the point of  
9 intersection of Dexter Street and the Central Falls line, then east along the Central Falls line to the  
10 Blackstone River, then north along the city boundary on the Blackstone River to the Cumberland  
11 line, then west along the Pawtucket city boundary line to I-95, then south along I-95 to Pine  
12 Street, then north on Pine Street to AMTRAK Right of Way, then northwest along the AMTRAK  
13 Right of Way to Dexter Street, then north on Dexter Street to the Central Falls line. [Said](#)  
14 [Pawtucket arts and entertainment district also includes the area beginning at a point in the](#)  
15 [intersection of Dexter Street and the Pawtucket/Central Falls city boundary; then continuing](#)  
16 [westerly along Pawtucket/Central Falls city boundary to the intersection of Pine Street; then](#)  
17 [continuing southerly along Pine Street to the intersection of Conant Street; then continuing](#)  
18 [southwesterly along Conant Street to the intersection of Weeden Street; then continuing west](#)  
19 [along Weeden Street to the intersection of New Street; then continuing southerly along New](#)  
20 [Street to the intersection of Fairlawn Ave; then continuing southerly along Fairlawn Ave to the](#)  
21 [intersection of Mineral Spring Ave; then continuing east along Mineral Spring Ave to the](#)  
22 [intersection of San Antonio Way; then continuing southeasterly along San Antonio Way to the](#)  
23 [intersection of Grotto Ave; then continuing east along Grotto Ave to the intersection with the](#)  
24 [Moshassuck River; then continuing south along the Moshassuck River to the intersection with I-](#)  
25 [95; then continuing south along I-95 to the intersection with the Pawtucket/Providence city](#)  
26 [boundary; then continuing east along the Pawtucket/Providence city boundary to the intersection](#)  
27 [of the Moshassuck River then continuing north along the Moshassuck River to the intersection of](#)  
28 [Grenville Street; then continuing east along Grenville Street to the intersection of Main Street;](#)  
29 [then continuing south along Main Street to the intersection of Pawtucket Ave; then continuing](#)  
30 [northeast along Pawtucket Ave to the intersection of Glenwood Ave; then continuing northwest](#)  
31 [along Glenwood Ave to the intersection of West Ave; then continuing northeast along West Ave](#)  
32 [to the intersection of Trenton Street; then continuing west along Trenton Street to the intersection](#)  
33 [of Main Street; then continuing north along Main Street to the intersection of Warren Ave; then](#)  
34 [continuing west along Warren Ave to the intersection of Esten Ave; then continuing north along](#)

1 [Esten Ave to the intersection of Barnes Street; then continuing northwest across I-95 to the](#)  
2 [Providence and Worcester Railroad right-of-way; then continuing north along the Providence](#)  
3 [Worcester Railroad right-of-way to the intersection of Mineral Spring Ave; then continuing east](#)  
4 [along Mineral Spring Ave to the intersection of Pine Street; then continuing north along Pine](#)  
5 [Street to the intersection of Goff Ave; then continuing east along Goff Ave to the intersection of](#)  
6 [Dexter Street; then continuing north along Dexter Street to the intersection with the](#)  
7 [Pawtucket/Central Falls city boundary, also being the point and place of beginning; excluding the](#)  
8 [Mineral Spring Avenue Cemetery that is a National Register Historic District.](#) The named streets  
9 are included in the district. The Westerly arts and entertainment district is defined as assessor's  
10 plat 56, lots 1 through 24, lot 48, lots 50 through 62, and lots 71 through 82, and assessors plat  
11 66, lots 22 through 26, and lots 29 through 36 the Woonsocket arts and entertainment district is  
12 defined as the area beginning at a point of land on the southwest bank of the Blackstone River  
13 abutting the bridge for the Providence & Worcester Railroad and proceeding northerly to a point  
14 at the intersection of Worrall Street, Clinton Street and Harry S. Truman Drive, then proceeding  
15 northwesterly along Worrall Street to its intersection with Social Street, then turning westerly on  
16 Social Street proceeding to its intersection with Main Street, Blackstone Street and North Main  
17 Street, then turning northwesterly and proceeding along Blackstone Street to its intersection with  
18 River Street, then turning northerly and proceeding along River Street to its intersection with the  
19 north/east bank of Blackstone River, then following the riverbank southerly to the bridge at  
20 Bernon Street and turning easterly crossing the Blackstone River via Bernon Street and  
21 proceeding to its intersection with Front Street, then turning northeasterly on Front Street and  
22 proceeding to its intersection with Hamlet Avenue, and to include the former courthouse on the  
23 southerly side of Front Street at its intersection with Hamlet Avenue, then turning easterly on  
24 Hamlet Avenue and proceeding to its intersection with Manville Road, then turning southeasterly  
25 on Manville Road and proceeding to its intersection with Davison Avenue, then turning  
26 northeasterly on Davison Avenue and proceeding to a point on the south/west bank of the  
27 Blackstone River, then turning northerly, following the southerly riverbank to the point of  
28 beginning. The abovementioned streets are included in the district. The Warwick arts district is  
29 defined as that area known as Pontiac Village, beginning on Route 5 at the Warwick/Cranston  
30 municipal boundary, then south to the intersection of Route 5 and the Pawtuxet River, then  
31 following the Pawtuxet River in an easterly and northerly direction to the municipal boundary in  
32 the vicinity of Knight Street, then from the intersection of Knight Street and the municipal  
33 boundary westerly along the Warwick/Cranston municipal boundary to the intersection of Route  
34 5 and Greenwich Avenue. The above named streets are included in the district.

1 (ii) Who is determined by the tax administrator, after consideration of any evidence he or  
2 she deems necessary or which is submitted to him or her by the individual, to have written,  
3 composed, or executed, either solely or jointly, a work or works which would fall into one of the  
4 categories listed in subsection (b)(1).

5 (2) This section also applies to sales by any other gallery located in the arts and  
6 entertainment district described in subsection (c)(1)(i) as well as any other arts and entertainment  
7 district designated by the general assembly, as well as to sales by any other gallery located in  
8 those areas within the city of Newport, or the town of Little Compton, which are zoned "general  
9 business," "waterfront business," or "limited business" or have been designated by the city of  
10 Newport as part of the arts district, as well as to sales by any other gallery located in those areas  
11 within the town of Warren which are zoned "waterfront district," "special district," "village  
12 business district," "manufacturing district," "business district" or "Warren historic district," as  
13 well as to sales by any other gallery located in those areas within the town of Tiverton which are  
14 zoned "business commercial," "business waterfront" or "village commercial."

15 (3) The tax administrator shall not make a determination unless:

16 (i) The individual(s) concerned duly make(s) an application to the tax administrator for  
17 the sales tax exemption which applies to the works defined in this section; and

18 (ii) The individual has complied and continues to comply with any and all requests made  
19 by the tax administrator.

20 (d) Any individual to whom this section applies and who makes an application to the tax  
21 administrator is entitled to a sales tax exemption for the sale of a work or works sold from the  
22 individual's business located in the economic development zone which would, apart from this  
23 section, be subject to the tax rate imposed by the state of Rhode Island.

24 (e) When an individual makes a request for the exemption, the tax administrator is  
25 entitled to all books, documents, or other evidence relating to the publication, production or  
26 creation of the works that may be deemed necessary by the tax administrator for the purposes of  
27 the exemption. The time period in which to provide this information is in the sole discretion of  
28 the tax administrator and specified in the notice.

29 (f) In addition to the information required in subsection (e), the tax administrator may  
30 require the individual(s) to submit an annual certified accounting of the numbers of works sold,  
31 the type of work sold, and the date of the sale. Failure to file this report may, in the sole discretion  
32 of the tax administrator, terminate the individual's eligibility for the exemption.

33 (g) Any person storing, using, or otherwise consuming in this state any work or works  
34 which is deemed to be exempt from the sales tax pursuant to this section is not liable for the use

1 tax on the work or works.

2 (h) Notwithstanding the provisions of this section, any individual to whom this section  
3 may apply shall comply with all the administration, collection, and other provisions of chapters  
4 18 and 19 of this title.

5 SECTION 2. Section 44-30-1.1 of the General Laws in Chapter 44-30 entitled "Personal  
6 Income Tax" is hereby amended to read as follows:

7 **44-30-1.1. Exemption from tax for writers, composers and artists.** -- (a) This section  
8 shall only apply to writers, composers and artists residing within a section of the defined  
9 economic development zone within the city of Providence, Pawtucket, Woonsocket or Warwick,  
10 or the economic development zone within the town of Westerly as defined in section 44-18-  
11 30B(c)(1)(i), or within the city of Newport or within the town of Tiverton or the town of Little  
12 Compton, or within those areas of the town of Warren which are zoned "waterfront district,"  
13 "special district," "village business district," "manufacturing district," "business district" or  
14 "Warren historic district", or a tax pass-through entity wholly owned by one or more such  
15 individuals and who create such work while residing in the zone, or in the case of Newport or the  
16 town of Little Compton, within those areas of the city or town which are zoned "general  
17 business," "waterfront business" or "limited business" or have been designated by the city of  
18 Newport as part of the arts district, or in the case of Warren, within those areas of the town which  
19 are zoned "waterfront district," "special district," "village business district," "manufacturing  
20 district," "business district" or "Warren historic district," or in the case of Tiverton with those  
21 areas of the town which are zoned "business commercial," "business waterfront" or "village  
22 commercial." For the purposes of this section, a "work" means an original and creative work,  
23 whether written, composed, created or executed for "one-of-a-kind, limited" production, before or  
24 after the passing of this section, which falls into one of the following categories: (1) a book or  
25 other writing; (2) a play or the performance of said play; (3) a musical composition or the  
26 performance of said composition; (4) a painting or other like picture; (5) a sculpture; (6)  
27 traditional and fine crafts; (7) the creation of a film or the acting of said film; (8) the creation of a  
28 dance or the performance of said dance. For purposes of this section, a "work" does not apply to  
29 any piece or performance created or executed for industry oriented or related production.

30 (b) (1) This section shall apply to any individual:

31 (i) Who is a resident within the section of the economic development zone designated as  
32 the arts and entertainment district in the downtown areas of the cities of Providence, Woonsocket  
33 or Pawtucket, and deriving the income exempted from within said district while a resident of said  
34 zone, or who is a resident within the section of the arts and entertainment district in the town of

1 Westerly, as defined in section 44-18-30B(c)(1)(i) and who derives the income exempted from  
2 within said district while a resident of said zone. For the purposes of this section, the "Providence  
3 arts and entertainment district" is defined as the area bounded by Pine Street to the southeast,  
4 ~~Dorrance Street~~ [Memorial Boulevard](#) to the northeast, Sabin Street [and Exchange Terrace](#) to the  
5 northwest and Empire Street to the southwest. Said Providence arts and entertainment district also  
6 includes the area beginning at the point of intersection of Acorn Street and Harris Avenue, then  
7 turning east onto Atwells Avenue to Service Road 7, then turning southerly onto Service Road 7  
8 to Westminster Street, then turning westerly onto Westminster Street, continuing until Bridgham,  
9 then turning south onto Bridgham to Cranston Street, then turning southwesterly onto Cranston  
10 Street, then continuing to Messer Street, then turning north onto Messer Street to Westminster  
11 Street, turning west onto Westminster Street to US Hwy 6 off ramp, then heading west on US  
12 Hwy 6 to Sheridan Street, then heading northeast on Sheridan Street to Aleppo Street, then  
13 turning southeast along Aleppo Street to Pelham Street, then heading northeast on Pelham Street  
14 to Manton Avenue, then continuing southeast on Manton Avenue until Delaine Street, then  
15 heading northeast on Delaine Street until Appleton Street, then continuing northwesterly on  
16 Appleton Street until Bowdoin Street, then heading north on Bowdoin Street until Barstow Street,  
17 then heading east on Barstow until Valley Street, then heading northeast on Valley Street to  
18 Hemlock Street, then turning southeast on Hemlock Street until Promenade Street, then heading  
19 east on Promenade Street to Acorn Street, then heading south on Acorn Street to the intersection  
20 of Acorn Street and Harris Avenue. The abovementioned streets shall be included in the district.  
21 The "Westerly arts and entertainment district" is defined in section 44-18-30B(c)(1)(i). The  
22 "Pawtucket arts and entertainment district" shall be defined as the area beginning at the point of  
23 intersection of Dexter Street and the Central Falls line, then east along the Central Falls Line to  
24 the Blackstone River, then north along the city boundary on the Blackstone River to the  
25 Cumberland line, then west along the Pawtucket city boundary line to I-95, then south along I-95  
26 to Pine Street, then north on Pine Street to AMTRAK Right of Way, then northwest along the  
27 AMTRAK Right of Way to Dexter Street, then north on Dexter Street to the Central Falls line.  
28 [Said Pawtucket arts and entertainment district also includes the area beginning at a point in the](#)  
29 [intersection of Dexter Street and the Pawtucket/Central Falls city boundary; then continuing](#)  
30 [westerly along Pawtucket/Central Falls city boundary to the intersection of Pine Street; then](#)  
31 [continuing southerly along Pine Street to the intersection of Conant Street; then continuing](#)  
32 [southwesterly along Conant Street to the intersection of Weeden Street; then continuing west](#)  
33 [along Weeden Street to the intersection of New Street; then continuing southerly along New](#)  
34 [Street to the intersection of Fairlawn Ave; then continuing southerly along Fairlawn Ave to the](#)

1 intersection of Mineral Spring Ave; then continuing east along Mineral Spring Ave to the  
2 intersection of San Antonio Way; then continuing southeasterly along San Antonio Way to the  
3 intersection of Grotto Ave; then continuing east along Grotto Ave to the intersection with the  
4 Moshassuck River; then continuing south along the Moshassuck River to the intersection with I-  
5 95; then continuing south along I-95 to the intersection with the Pawtucket/Providence city  
6 boundary; then continuing east along the Pawtucket/Providence city boundary to the intersection  
7 of the Moshassuck River then continuing north along the Moshassuck River to the intersection of  
8 Grenville Street; then continuing east along Grenville Street to the intersection of Main Street;  
9 then continuing south along Main Street to the intersection of Pawtucket Ave; then continuing  
10 northeast along Pawtucket Ave to the intersection of Glenwood Ave; then continuing northwest  
11 along Glenwood Ave to the intersection of West Ave; then continuing northeast along West Ave  
12 to the intersection of Trenton Street; then continuing west along Trenton Street to the intersection  
13 of Main Street; then continuing north along Main Street to the intersection of Warren Ave; then  
14 continuing west along Warren Ave to the intersection of Esten Ave; then continuing north along  
15 Esten Ave to the intersection of Barnes Street; then continuing northwest across I-95 to the  
16 Providence and Worcester Railroad right-of-way; then continuing north along the Providence  
17 Worcester Railroad right-of-way to the intersection of Mineral Spring Ave; then continuing east  
18 along Mineral Spring Ave to the intersection of Pine Street; then continuing north along Pine  
19 Street to the intersection of Goff Ave; then continuing east along Goff Ave to the intersection of  
20 Dexter Street; then continuing north along Dexter Street to the intersection with the  
21 Pawtucket/Central Falls city boundary, also being the point and place of beginning; excluding the  
22 Mineral Spring Avenue Cemetery that is a National Register Historic District.

23       The abovementioned streets shall be included in the district. The "Woonsocket arts and  
24 entertainment district" shall be defined as the area beginning at a point of land on the southwest  
25 bank of the Blackstone River abutting the bridge for the Providence & Worcester Railroad and  
26 proceeding northerly to a point at the intersection of Worrall Street, Clinton Street and Harry S.  
27 Truman Drive, then proceeding northwesterly along Worrall Street to its intersection with Social  
28 Street, then turning westerly on Social Street proceeding to its intersection with Main Street,  
29 Blackstone Street and North Main Street, then turning northwesterly and proceeding along  
30 Blackstone Street to its intersection with River Street, then turning northerly and proceeding  
31 along River Street to its intersection with the northeast bank of Blackstone River, then following  
32 the riverbank southerly to the bridge at Bernon Street and turning easterly crossing the Blackstone  
33 River via Bernon Street and proceeding to its intersection with Front Street, then turning  
34 northeasterly on Front Street and proceeding to its intersection with Hamlet Avenue, and to

1 include the former Courthouse on the southerly side of Front Street at its intersection with Hamlet  
2 Avenue, then turning easterly on Hamlet Avenue and proceeding to its intersection with Manville  
3 Road, then turning southeasterly on Manville Road and proceeding to its intersection with  
4 Davison Avenue, then turning northeasterly on Davison Avenue and proceeding to a point on the  
5 southwest bank of the Blackstone River, then turning northerly, following the southerly riverbank  
6 to the point of beginning. The abovementioned streets are included in the district. The Warwick  
7 arts district is defined as that area known as Pontiac Village, beginning on Route 5 at the  
8 Warwick/Cranston municipal boundary, then south to the intersection of Route 5 and the  
9 Pawtuxet River, then following the Pawtuxet River in an easterly and northerly direction to the  
10 municipal boundary in the vicinity of Knight Street, then from the intersection of Knight Street  
11 and the municipal boundary westerly along the Warwick/Cranston municipal boundary to the  
12 intersection of Route 5 and Greenwich Avenue. The above named streets are included in the  
13 district.

14           This section shall also apply to any individual who is a resident of the city of Newport or  
15 the town of Tiverton or the town of Little Compton and whose income otherwise qualifies for an  
16 exemption as provided for in this section.

17           This section shall also apply to any individual who is a resident of the town of Warren  
18 and whose income otherwise qualifies for an exemption as provided for in this section.

19           (ii) Who is determined by the tax administrator, after consideration of any evidence in  
20 relation to the matter which the individual submits to him or her and after such consultation as  
21 may seem to him or her to be necessary with such person or body of persons as in his or her  
22 opinion may be of assistance to him or her, to have written, composed or executed either solely or  
23 jointly with another individual, a work or works that would fall into one of the categories listed in  
24 subsection (a) of this section.

25           (c) (1) An individual to whom this section applies and who duly makes a claim to the tax  
26 administrator in that behalf shall, subject to subdivision (2) of this subsection, be entitled to have  
27 the profits or gains arising to him or her from the publication, production or sale of a work or  
28 works in relation to which the tax administrator has made a determination under paragraph  
29 (b)(1)(ii) of this section to be taken as a modification reducing federal adjusted gross income.

30           (2) The modification authorized by this section shall apply to the year in which the profit  
31 or gain from the publication, production or sale of a work is realized.

32           (d) The tax administrator may serve on an individual who makes a claim under this  
33 subsection a notice or notices, in writing, requiring him or her to make available within any time  
34 that may be specified in the notice of all such books, accounts and documents in his or her

1 possession or power as may be requested, being books, accounts and documents relating to the  
2 publication, production or sale of the work in respect of the profits or gains of which exemption is  
3 claimed.

4 (e) For the purpose of determining the amount of profits or gains subject to modification  
5 under this section, the tax administrator may make any apportionment of receipts and expenses  
6 that may be necessary.

7 (f) Notwithstanding any other provisions of this chapter, any individual seeking relief  
8 under this section shall file a Rhode Island personal income tax return listing the modification  
9 reducing federal adjusted gross income relating to profits or gains realized from the works as  
10 defined in this section.

11 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T  
RELATING TO TAXATION -- SALES AND USE TAXES--LIABILITY AND  
COMPUTATION

\*\*\*

- 1 This act would expand the boundaries of the Pawtucket and Providence Arts and
- 2 Entertainment districts.
- 3 This act would take effect upon passage.

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