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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO HUMAN SERVICES -- THE RHODE ISLAND FAMILY CAREGIVER TAX
CREDIT ACT

Introduced By: Representatives Donovan, Speakman, Cotter, Cortvriend, Spears,
Furtado, Edwards, Morales, Ajello, and Shallcross Smith

Date Introduced: January 29, 2025

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings.

2 The general assembly hereby makes the following findings.

3 (1) About eighty percent (80%) of care at home is provided by unpaid family caregivers,
4 many of whom are older persons providing care to a spouse or family member with disabilities.

5 (2) More than half of caregivers have intensive caregiving responsibilities that include
6 assisting with personal care activities such as bathing, feeding or toileting.

7 (3) Research shows that unpaid family caregivers are frequently under substantial physical,
8 psychological, and financial stress.

9 (4) On average unpaid family caregivers spend seven thousand dollars (\$7,000) a year out-
10 of-pocket to assist their family member to be able to live at home.

11 (5) Providing a state income tax credit for expenditures paid by family caregivers shall help
12 relieve some of the financial burden caregivers face in fulfilling their caregiving responsibilities.

13 SECTION 2. Title 40 of the General Laws entitled "HUMAN SERVICES" is hereby
14 amended by adding thereto the following chapter:

15 [CHAPTER 8.11.5](#)

16 [THE RHODE ISLAND FAMILY CAREGIVER TAX CREDIT ACT](#)

17 [40-8.11.5-1. Short title.](#)

18 [This chapter shall be known and may be cited as "The Rhode Island Family Caregiver Tax](#)

1 Credit Act."

2 **40-8.11.5-2. Definitions.**

3 As used in this chapter, the following terms shall have the following meanings unless the
4 context clearly indicates otherwise:

5 (1) "Activities of daily living (ADL)" means and includes:

6 (i) Ambulating, which is the extent of an individual's ability to move from one position to
7 another and walk independently;

8 (ii) Feeding, which is the ability of an individual to feed oneself;

9 (iii) Dressing, which is the ability to select appropriate clothes and to put the clothes on
10 without aid;

11 (iv) Personal hygiene, which is the ability to bathe and groom oneself and maintain dental
12 hygiene and hair and nail care;

13 (v) Continence, which is the ability to control bladder and bowel function; and

14 (vi) Toileting, which is the ability to get to and from the toilet without aid, using it
15 appropriately, and cleaning oneself.

16 (2) "Eligible expenditure" means and includes:

17 (i) The improvement or alteration to the eligible family caregiver's or eligible family
18 member's primary residence to permit the eligible family member to live in the residence and to
19 remain mobile, safe and independent;

20 (ii) The eligible family caregiver's purchase or lease of equipment, including, but not
21 limited to, durable medical equipment, that is necessary to assist the eligible family member in
22 carrying out one or more activities of daily livings (ADL); and

23 (iii) Other paid or incurred expenses by the eligible family caregiver that assist the eligible
24 family caregiver in providing care to an eligible family member. These expenses include, but are
25 not limited to, the following:

26 (A) Hiring a home care aide;

27 (B) Temporary respite care;

28 (C) Adult day care;

29 (D) Personal care attendants;

30 (E) Health care equipment; and

31 (F) Technology.

32 (iv) The eligible expenditures shall be directly related to assisting the eligible family
33 caregiver in providing care to an eligible family member. Eligible expenditures shall not include
34 items or services that are reimbursable by the eligible family member's healthcare insurance

1 including state and federal government insurance programs or the carrying out of general household
2 maintenance activities such as painting, plumbing, electrical repairs, or exterior maintenance.

3 (3) "Eligible family caregiver" means a resident taxpayer of the state who provides care
4 and support to an eligible family member and:

5 (i) Who has a federal adjusted gross income for the taxable year less than fifty thousand
6 dollars (\$50,000) for an individual and less than one hundred thousand dollars (\$100,00) for a
7 couple filing jointly; and

8 (ii) Who has personally incurred uncompensated expenses directly related to the care of an
9 eligible family member.

10 (4) "Eligible family member" means an individual who:

11 (i) Is sixty-five (65) years of age or older or has qualified for Social Security Disability
12 Benefits Insurance;

13 (ii) Resides with the eligible family caregiver at their permanent place of residence in the
14 state for not less than six (6) months of the taxable year;

15 (iii) Does not reside in an assisted living center, nursing facility, or residential care home;

16 (iv) Requires assistance with at least two (2) activities of daily living (ADL) certified by a
17 licensed health care provider; and

18 (v) Is a dependent, spouse, domestic partner, sibling, grandparent, grandchild, or is a
19 second degree relative.

20 **40-8.11.5-3. Implementation.**

21 (a) For taxable years beginning after December 31, 2025, there shall be allowed a credit
22 against the tax imposed pursuant to § 44-30-2.6 ("Rhode Island taxable income -- Rate of tax") in
23 the amount of fifty percent (50%) for eligible expenditures incurred by a family caregiver for the
24 care and support of an eligible family member.

25 (b) The maximum allowable credit authorized by this section shall be one thousand dollars
26 (\$1000). If two (2) or more family caregivers claim the tax credit for the same eligible family
27 member, the maximum allowable credit shall be allocated in equal amounts between each of the
28 family caregivers.

29 (c) The credit authorized under this section shall not be used to reduce the tax liability of
30 the taxpayer to less than zero. The credit shall not be carried over into a subsequent tax year.

31 (d) The department of revenue shall promulgate rules and regulations necessary to
32 implement and administer the credit authorized by this section.

1 SECTION 3. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled "Personal
2 Income Tax" is hereby amended to read as follows:

3 **44-30-2.6. Rhode Island taxable income — Rate of tax.**

4 (a) "Rhode Island taxable income" means federal taxable income as determined under the
5 Internal Revenue Code, 26 U.S.C. § 1 et seq., not including the increase in the basic, standard-
6 deduction amount for married couples filing joint returns as provided in the Jobs and Growth Tax
7 Relief Reconciliation Act of 2003 and the Economic Growth and Tax Relief Reconciliation Act of
8 2001 (EGTRRA), and as modified by the modifications in § 44-30-12.

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

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

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

34 (2) For the period January 1, 2007, through December 31, 2007, and thereafter, Rhode

1 Island taxable income shall be determined by deducting from federal adjusted gross income as
2 defined in 26 U.S.C. § 62 as modified by the modifications in § 44-30-12 the Rhode Island
3 itemized-deduction amount and the Rhode Island exemption amount as determined in this section.

4 (A) **Tax imposed.**

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

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

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

15 If taxable income is:	The tax is:
16 Not over \$42,650	3.75% of taxable income
17 Over \$42,650 but not over \$110,100	\$1,599.38 plus 7.00% of the excess over \$42,650
18 Over \$110,100 but not over \$178,350	\$6,320.88 plus 7.75% of the excess over \$110,100
19 Over \$178,350 but not over \$349,700	\$11,610.25 plus 9.00% of the excess over \$178,350
20 Over \$349,700	\$27,031.75 plus 9.90% of the excess over \$349,700

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

24 If taxable income is:	The tax is:
25 Not over \$31,850	3.75% of taxable income
26 Over \$31,850 but not over \$77,100	\$1,194.38 plus 7.00% of the excess over \$31,850
27 Over \$77,100 but not over \$160,850	\$4,361.88 plus 7.75% of the excess over \$77,100
28 Over \$160,850 but not over \$349,700	\$10,852.50 plus 9.00% of the excess over \$160,850
29 Over \$349,700	\$27,849.00 plus 9.90% of the excess over \$349,700

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

32 If taxable income is:	The tax is:
33 Not over \$26,575	3.75% of taxable income
34 Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575

1	Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250
2	Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
3	Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850

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

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

12 (6) Adjustments for inflation.

13 The dollars amount contained in paragraph (A) shall be increased by an amount equal to:

14 (a) Such dollar amount contained in paragraph (A) in the year 1993, multiplied by;

15 (b) The cost-of-living adjustment determined under section (J) with a base year of 1993;

16 (c) The cost-of-living adjustment referred to in subparagraphs (a) and (b) used in making
17 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall
18 be determined under section (J) by substituting "1994" for "1993."

19 **(B) Maximum capital gains rates.**

20 (1) In general.

21 If a taxpayer has a net capital gain for tax years ending prior to January 1, 2010, the tax
22 imposed by this section for such taxable year shall not exceed the sum of:

23 (a) 2.5% of the net capital gain as reported for federal income tax purposes under section
24 26 U.S.C. § 1(h)(1)(a) and 26 U.S.C. § 1(h)(1)(b).

25 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
26 § 1(h)(1)(c).

27 (c) 6.25% of the net capital gain as reported for federal income tax purposes under 26
28 U.S.C. § 1(h)(1)(d).

29 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
30 § 1(h)(1)(e).

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

33 **(C) Itemized deductions.**

34 (1) In general.

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

3 (2) Individuals who do not itemize their deductions.

4 In the case of an individual who does not elect to itemize his deductions for the taxable
5 year, they may elect to take a standard deduction.

6 (3) Basic standard deduction.

7 The Rhode Island standard deduction shall be allowed in accordance with the following
8 table:

9 Filing status	Amount
10 Single	\$5,350
11 Married filing jointly or qualifying widow(er)	\$8,900
12 Married filing separately	\$4,450
13 Head of Household	\$7,850

14 (4) Additional standard deduction for the aged and blind.

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

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

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

21 (a) \$850;

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

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

24 In the case of:

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

26 (b) Nonresident alien individual;

27 (c) An estate or trust;

28 The standard deduction shall be zero.

29 (7) Adjustments for inflation.

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

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

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

1 **(D) Overall limitation on itemized deductions.**

2 (1) General rule.

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

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

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

10 (2) Applicable amount.

11 (a) In general.

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

14 (b) Adjustments for inflation.

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

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

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

18 (3) Phase-out of Limitation.

19 (a) In general.

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

23 (b) Applicable fraction.

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

26 For taxable years beginning in calendar year	26 The applicable fraction is
27 2006 and 2007	27 $\frac{2}{3}$
28 2008 and 2009	28 $\frac{1}{3}$

29 **(E) Exemption amount.**

30 (1) In general.

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

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

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

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

3 (3) Adjustments for inflation.

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

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

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

7 (4) Limitation.

8 (a) In general.

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

11 (b) Applicable percentage.

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

18 (c) Threshold Amount.

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

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

26 (d) Adjustments for inflation.

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

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

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

30 (5) Phase-out of limitation.

31 (a) In general.

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

1 (b) Applicable fraction.

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

4 For taxable years beginning in calendar year	5 The applicable fraction is
6 2006 and 2007	$\frac{2}{3}$
7 2008 and 2009	$\frac{1}{3}$

7 (F) **Alternative minimum tax.**

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

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

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

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

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

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

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

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

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

22 (6) Exemption amount.

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

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

30 (7) Treatment of unearned income of minor children

31 (a) In general.

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

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

1 (ii) \$6,000.

2 (8) Adjustments for inflation.

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

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

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

7 (9) Phase-out.

8 (a) In general.

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

12 (b) Threshold amount.

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

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

21 (c) Adjustments for inflation

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

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

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

25 **(G) Other Rhode Island taxes.**

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

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

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

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

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

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

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

1 **(I) Averaging of farm income.**

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

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

6 **(J) Cost-of-living adjustment.**

7 (1) In general.

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

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

10 (b) The CPI for the base year.

11 (2) CPI for any calendar year.

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

15 (3) Consumer price index.

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

20 (4) Rounding.

21 (a) In general.

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

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

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

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

30 (2) Child and dependent care credit;

31 (3) General business credits;

32 (4) Credit for elderly or the disabled;

33 (5) Credit for prior year minimum tax;

34 (6) Mortgage interest credit;

1 (7) Empowerment zone employment credit;

2 (8) Qualified electric vehicle credit.

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

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

14 (N) **Rhode Island earned-income credit.**

15 (1) In general.

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

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

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

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

32 For tax years beginning on or after January 1, 2024, a taxpayer entitled to a federal earned-
33 income credit shall be allowed a Rhode Island earned-income credit equal to sixteen percent (16%)
34 of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode Island

1 income tax.

2 (2) Refundable portion.

3 In the event the Rhode Island earned-income credit allowed under paragraph (N)(1) of this
4 section exceeds the amount of Rhode Island income tax, a refundable earned-income credit shall
5 be allowed as follows.

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

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

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

15 (3) For the period January 1, 2011, through December 31, 2011, and thereafter, "Rhode
16 Island taxable income" means federal adjusted gross income as determined under the Internal
17 Revenue Code, 26 U.S.C. § 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-
18 30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to subparagraph
19 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant to subparagraph
20 44-30-2.6(c)(3)(C).

21 (A) **Tax imposed.**

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

RI Taxable Income		RI Income Tax	
Over	But not over	Pay + % on Excess	on the amount over
28 \$ 0 -	\$ 55,000	\$ 0 + 3.75%	\$ 0
29 55,000 -	125,000	2,063 + 4.75%	55,000
30 125,000 -		5,388 + 5.99%	125,000

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

RI Taxable Income		RI Income Tax	
Over	But not over	Pay + % on Excess	on the amount over

1	\$ 0 -	\$ 2,230	\$ 0 + 3.75%	\$ 0
2	2,230 -	7,022	84 + 4.75%	2,230
3	7,022 -		312 + 5.99%	7,022

4 **(B) Deductions:**

5 **(I) Rhode Island Basic Standard Deduction.**

6 Only the Rhode Island standard deduction shall be allowed in accordance with the
7 following table:

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

13 **(II) Nonresident alien individuals, estates and trusts are not eligible for standard**
14 **deductions.**

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

21 **(C) Exemption Amount:**

22 **(I) The term “exemption amount” means three thousand five hundred dollars (\$3,500)**
23 **multiplied by the number of exemptions allowed for the taxable year for federal income tax**
24 **purposes. For tax years beginning on or after 2018, the term “exemption amount” means the same**
25 **as it does in 26 U.S.C. § 151 and 26 U.S.C. § 152 just prior to the enactment of the Tax Cuts and**
26 **Jobs Act (Pub. L. No. 115-97) on December 22, 2017.**

27 **(II) Exemption amount disallowed in case of certain dependents. In the case of an**
28 **individual with respect to whom a deduction under this section is allowable to another taxpayer for**
29 **the same taxable year, the exemption amount applicable to such individual for such individual’s**
30 **taxable year shall be zero.**

31 **(III) Identifying information required.**

32 **(1) Except as provided in § 44-30-2.6(c)(3)(C)(II) of this section, no exemption shall be**
33 **allowed under this section with respect to any individual unless the Taxpayer Identification Number**
34 **of such individual is included on the federal return claiming the exemption for the same tax filing**

1 period.

2 (2) Notwithstanding the provisions of § 44-30-2.6(c)(3)(C)(I) of this section, in the event
3 that the Taxpayer Identification Number for each individual is not required to be included on the
4 federal tax return for the purposes of claiming a personal exemption(s), then the Taxpayer
5 Identification Number must be provided on the Rhode Island tax return for the purpose of claiming
6 said exemption(s).

7 (D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode Island
8 purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-five thousand
9 dollars (\$175,000), the exemption amount shall be reduced by the applicable percentage. The term
10 “applicable percentage” means twenty (20) percentage points for each five thousand dollars
11 (\$5,000) (or fraction thereof) by which the taxpayer’s adjusted gross income for the taxable year
12 exceeds one hundred seventy-five thousand dollars (\$175,000).

13 (E) **Adjustment for inflation.** The dollar amount contained in subparagraphs 44-30-
14 2.6(c)(3)(A), 44-30-2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) shall be increased annually by an amount
15 equal to:

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

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

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

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

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

33 (F) **Credits against tax.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (m) Historic homeownership assistance act: Effective for tax year 2017 and thereafter,
34 unused carryforward for such credit previously issued shall be allowed for the historic

1 homeownership assistance act as provided in § 44-33.1-4. This allowance is for credits already
2 issued pursuant to § 44-33.1-4 and shall not be construed to authorize the issuance of new credits
3 under the historic homeownership assistance act.

4 [\(n\) Rhode Island family caregiver tax credit shall be allowed for family caregivers as](#)
5 [provided in chapter 8.11.5 of title 40.](#)

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

8 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO HUMAN SERVICES -- THE RHODE ISLAND FAMILY CAREGIVER TAX
CREDIT ACT

1 This act would establish a tax credit against income tax based upon eligible expenditures
2 incurred by a family caregiver for the care and support of an eligible family member. The maximum
3 amount of the credit would be one thousand dollars (\$1,000) and would apply to all tax years
4 beginning after December 31, 2025.

5 This act would take effect upon passage.

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