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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO BUSINESSES AND PROFESSIONS - STATE DECLARED DISASTERS

Introduced By: Representatives Kennedy, San Bento, Williams, Naughton, and E Coderre

Date Introduced: February 02, 2012

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 5 of the General Laws entitled "BUSINESSES AND PROFESSIONS"
2 is hereby amended by adding thereto the following chapter:

CHAPTER 86

FACILITATING BUSINESS-RAPID RESPONSE TO STATE DECLARED DISASTER ACT

OF 2012

6 **5-86-1. Short title.** – This act shall be known and may be cited as the “Facilitating
7 Business Rapid Response to State Declared Disasters Act of 2012.”

8 **5-86-2. Legislative findings.** – (a) During times of storm, flood, fire, earthquake,
9 hurricane or other disaster or emergency, many companies bring in resources and personnel from
10 other states throughout the U.S. on a temporary basis to expedite the often enormous and
11 overwhelming task of cleaning up, restoring and repairing damaged buildings, equipment and
12 property or even deploying or building replacement facilities in the state;

13 (b) This may involve the need for out-of-state companies, including out-of-state affiliates
14 of companies based in the state to bring in resources, property and/or personnel that previously
15 have had no connection to the state, to perform activity in the state including, but not limited to,
16 repairing, renovating, installing, building, rendering services or other business activities and for
17 which personnel may be located in the state for extended periods of time to perform such
18 activities;

19 (c) During such time of operating in the state on a temporary basis solely for purposes of

1 helping the state recover from the disaster or emergency, these companies and individual
2 employees should not be burdened by any requirements for business and employee taxes as a
3 result of such activities in the state for a temporary period;

4 (d) The state’s nexus and residency thresholds are intended for businesses and individuals
5 in the state as part of the conduct of regular business operations or who intend to reside in the
6 state and should not be directed at companies and individuals coming into the state on a
7 temporary basis to provide assistance in response to a declared state disaster or emergency; and

8 (e) To ensure that companies may focus on quick response to the needs of the state and
9 its citizens during a declared state disaster or emergency it is appropriate for the legislature to
10 deem that such activity, for a reasonable period of time during and after the disaster or emergency
11 for repairing and restoration of the often devastating damage to property and infrastructure of the
12 state’s communication network and its gas and electric transmission and distribution systems,
13 shall not establish presence, residency, nor doing business in the state nor any other criteria for
14 purposes of state and local taxes, and specified licensing and regulatory requirements.

15 **5-86-3. Definitions.** – As used in this chapter, the following terms shall have the
16 following meanings:

17 (1) “Registered business in the state” (or “registered business”) means a business entity
18 that is currently registered to do business in the state prior to the declared state disaster or
19 emergency.

20 (2) “Out-of-state business” means a business entity that has no presence in the state and
21 conducts no business in the state whose services are requested by a registered business or by a
22 state or local government for purposes of performing disaster or emergency-related work of the
23 state’s communication network and its gas and electric transmission and distribution systems.
24 This shall also include a business entity that is affiliated with the registered business in the state
25 solely through common ownership. The “out-of-state business” has no registrations or tax filings
26 or nexus in the state prior to the declared state disaster or emergency.

27 (3) “Out-of-state employee” means for this legislation an employee who does not work in
28 the state.

29 (4) “Disaster or emergency-related work” means repairing, renovating, installing,
30 building, rendering services or other business activities that relate to the state’s communication
31 network and its gas and electric transmission and distribution systems, infrastructure that has been
32 damaged impaired or destroyed by the declared state disaster or emergency.

33 (5) “Infrastructure” means property and equipment owned or used by communications
34 networks, gas and electric distribution systems and bridges and related support facilities that

1 services multiple customers or citizens including, but not limited to, real and personal property
2 such as buildings, offices, lines, poles, pipes, structures and equipment.

3 (6) “Declared state disaster or emergency” means a disaster or emergency event for
4 which a governor’s state of emergency proclamation has been issued or for which a presidential
5 declaration of a federal major disaster or emergency has been issued.

6 (7) “Disaster period” means a period that begins within ten (10) days of the first day of
7 the governor’s proclamation or the president’s declaration (whichever occurs first) and that
8 extends for a period of sixty (60) calendar days after the end of the declared disaster or
9 emergency period.

10 **5-86-4. Obligations, rights and duties.** – (a) An out-of-state business that conducts
11 operations within the state for purposes of performing work or services related to a declared state
12 disaster or emergency during the disaster period shall not be considered to have established a
13 level of presence that would require that business to register, file and remit state or local taxes or
14 that would require that business or out-of-state employees to be subject to the state
15 telecommunications technician, contractor or installer licensing requirements so long as they are
16 under the supervision of the registered business. This includes any and all state or local
17 telecommunications business licensing or registration requirements or state and local taxes or fees
18 such as unemployment insurance, state or local occupational telecommunications technician
19 licensing fees and use tax on equipment brought into the state on a temporary basis that is used
20 during the disaster period, public service commission or secretary of state licensing and
21 regulatory requirements. For purposes of any state or local tax on or measured by, in whole or in
22 part, net or gross income or receipts, all activity of the out-of-state business that is conducted in
23 this state pursuant to this chapter shall be disregarded with respect to any filing requirements for
24 such tax.

25 (b) Any out-of-state employee as defined herein shall not be considered to have
26 established residency or a presence in the state that would require that person or that person’s
27 employer to file and pay income taxes or to be subjected to income tax withholdings or to file and
28 pay any other state or local tax or fee during the disaster period. This includes any related state or
29 local employer withholding and remittance obligations.

30 (c) Out-of-state businesses and out-of-state employees shall be required to pay
31 transaction taxes and fees including, but not limited to, fuel taxes or sales and use taxes, except
32 use tax on equipment specified in paragraph (a) of this section, hotel taxes, car rental taxes or fees
33 unless such taxes or fees are otherwise exempted during a disaster period.

34 (d) Any out-of- state business or out-of-state employee that remains in the state after the

1 disaster period will become subject to the state's normal standards for establishing presence,
2 residency or doing business in the state and will therefore become responsible for any business or
3 employee tax requirements that ensue.

4 **5-86-5. Administration.** – (a) Notification of out-of-state business during disaster period.

5 (1) The out-of-state business that enters the state shall, upon request, provide to the
6 Rhode Island emergency agency a statement that it is in the state for purposes of responding to
7 the disaster or emergency, which statement shall include the business' name, state of domicile,
8 principal business address, federal tax identification number, date of entry, and contact
9 information.

10 (2) A registered business in the state shall, upon request, provide the information required
11 in subdivision (1) of this section for any affiliate that enters the state that is an out-of-state
12 business. The notification shall also include contact information for the registered business in the
13 state.

14 (b) Notification of intent to remain in state, an out-of-state business or an employee that
15 remains in the state after the disaster period shall complete state and local registration, licensing
16 and filing requirements that ensue as a result of establishing the requisite business presence or
17 residency in the state applicable under the existing rules.

18 (c) Procedures. The emergency management agency shall promulgate necessary
19 regulations, develop and issue forms or online processes to carry out these administrative
20 procedures.

21 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO BUSINESSES AND PROFESSIONS - STATE DECLARED DISASTERS

1 This act would provide thresholds for establishing presence, residency or doing business
2 in the state for out-of-state employees and companies including affiliates of in-state companies
3 that temporarily provide resources and personnel in the state during a state of emergency declared
4 by either the governor or the president of the United States.

5 This act would take effect upon passage.

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