2012 -- H 7676

LC01628

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

AN ACT

RELATING TO TAXATION

Introduced By: Representatives Ruggiero, Serpa, Morgan, Walsh, and Gallison

<u>Date Introduced:</u> February 16, 2012

Referred To: House Small Business

It is enacted by the General Assembly as follows:

actually paid the guaranty fee.

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1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by 2 adding thereto the following chapter: 3 CHAPTER 43.2 4 **SMALL BUSINESS TAX CREDIT** 5 44-43.2-1. Application. -- For the purposes of this chapter, a "small business" means any corporation, partnership, sole proprietorship, or other business entity qualifying as "small" under 6 7 the standards contained in title 13, code of federal regulations, section 121. 8 44-43.2-2. Credit against tax imposed. -- Every small business formed under the laws 9 of the state of Rhode Island and operating within the state of Rhode Island shall be entitled to 10 claim as a credit against the tax imposed by chapters 11-17 and 30 of this title any amount paid to 11 the U.S. small business administration (SBA) as a guaranty fee pursuant to the obtaining of SBA 12 guaranteed financing. This credit will be available to the small business up to sixty (60) months 13 after the payment of the guaranty fee; provided, however, where a minimum tax is provided 14 under this title, the credit shall not reduce the tax below the minimum tax and shall be claimable 15 only by the small business which is the primary obligor in the financing transaction and which

1	SECTION 2.	This	act	shall	take	effect	upon	passage	and	is	applicable	to	tax	years
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beginning on or after January 1, 2012.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

RELATING TO TAXATION

This act would allow small businesses to claim a tax credit for amounts paid to the U.S.

small business administration as a guaranty fee when offering SBA guarantee financing.

This act would take effect upon passage and would be applicable to tax years beginning on or after January 1, 2012.

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