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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 TAXATION - EXEMPTIONS FOR ARTISTS - TIVERTON

Introduced By: Senators DiPalma, and Felag

Date Introduced: January 18, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-18-30.0 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
19 opportunities, and encourage business development by providing alternative commercial

1 enterprises while in Providence creating a link between the Old Downtown and the Capital Center
2 Area;

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

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

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

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

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

18 (b) (1) This section only applies to sales by writers, composers and artists residing in and
19 conducting a business within a section of the defined economic development zone in the cities of
20 Providence or Pawtucket, or the defined economic development zone in the town of Westerly or
21 the defined economic zone in the city of Woonsocket, or the defined economic zone in the city of
22 Warwick, or in those areas within the city of Newport, and the town of Little Compton, which are
23 zoned "general business," "waterfront business," or "limited business" or have been designated
24 by the city of Newport as part of the arts district, or in those areas of the town of Warren which
25 are zoned "waterfront district," "special district," "village business district," "manufacturing
26 district," "business district" or "Warren historic district," or in those areas of the town of Tiverton
27 which are zoned "business commercial," "business waterfront" or "village commercial-" or in that
28 area of the town of Tiverton which is zoned "Residential R-80" and is bounded by the
29 Bulgarmarsh Road to the north, Cornell Road to the west, King Road to the south, and Crandall
30 Road to the east. For the purposes of this section, a "work" means an original and creative work,
31 whether written, composed or executed for "one-of-a-kind limited" production and which falls
32 into one of the following categories:

33 (i) A book or other writing;

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

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

2 (iv) A painting or other like picture;

3 (v) A sculpture;

4 (vi) Traditional and fine crafts;

5 (vii) The creation of a film or the acting within the film;

6 (viii) The creation of a dance or the performance of the dance.

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

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

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

12 (i) Who is a resident of and has a principal place of business situated in the section of the
13 economic development zone designated as the arts and entertainment district in the downtown
14 area of the city of Providence or in the city of Pawtucket, or the defined economic development
15 zone in the town of Westerly or the defined economic zone in the city of Woonsocket, or the
16 defined economic zone in the city of Warwick, or who is a resident of and has a principal place of
17 business situated in those areas within the city of Newport or the town of Little Compton, which
18 are zoned "general business," "waterfront business," or "limited business," or have been
19 designated by the city of Newport as part of the arts district, or who is a resident of and has a
20 principal place of business situated in those areas within the town of Warren which are zoned
21 "waterfront district," "special district," "village business district," "manufacturing district,"
22 "business district" or "Warren historic district," or who is a resident or has a principal place of
23 business situated in those areas within the town of Tiverton which are zoned "business
24 commercial," "business waterfront" or "village commercial;" or in that area of the town of
25 Tiverton which is zoned "Residential R-80" and is bounded by the Bulgarmarsh Road to the
26 north, Cornell Road to the west, King Road to the south, and Crandall Road to the east. For the
27 purposes of this section, the Providence arts and entertainment district in Providence is defined as
28 the area bounded by Pine Street to the southeast, Dorrance Street to the northeast, Sabin Street to
29 the northwest and Empire Street to the southwest. Said Providence arts and entertainment district
30 also includes the area beginning at the point of intersection of Acorn Street and Harris Avenue,
31 then turning east onto Atwells Avenue to Service Road 7, then turning southerly onto Service
32 Road 7 to Westminster Street, then turning westerly onto Westminster Street, continuing until
33 Bridgham, then turning south onto Bridgham to Cranston Street, then turning southwesterly onto
34 Cranston Street, then continuing to Messer Street, then turning north onto Messer Street to

1 Westminster Street, turning west onto Westminster Street to US Hwy 6 off ramp, then heading
2 west on US Hwy 6 to Sheridan Street, then heading northeast on Sheridan Street to Aleppo Street,
3 then turning southeast along Aleppo Street to Pelham Street, then heading northeast on Pelham
4 Street to Manton Avenue, then continuing southeast on Manton Avenue until Delaine Street, then
5 heading northeast on Delaine Street until Appleton Street, then continuing northwesterly on
6 Appleton Street until Bowdoin Street, then heading north on Bowdoin Street until Barstow Street,
7 then heading east on Barstow until Valley Street, then heading northeast on Valley Street to
8 Hemlock Street, then turning southeast on Hemlock Street until Promenade Street, then heading
9 east on Promenade Street to Acorn Street, then heading south on Acorn Street to the intersection
10 of Acorn Street and Harris Avenue. The named streets are included in the Providence district; and
11 in Pawtucket is defined as the area beginning at the point of intersection of Dexter Street and the
12 Central Falls line, then east along the Central Falls line to the Blackstone River, then north along
13 the city boundary on the Blackstone River to the Cumberland line, then west along the Pawtucket
14 city boundary line to I-95, then south along I-95 to Pine Street, then north on Pine Street to
15 AMTRAK Right of Way, then northwest along the AMTRAK Right of Way to Dexter Street,
16 then north on Dexter Street to the Central Falls line. The named streets are included in the district.
17 The Westerly arts and entertainment district is defined as assessor's plat 56, lots 1 through 24, lot
18 48, lots 50 through 62, and lots 71 through 82, and assessors plat 66, lots 22 through 26, and lots
19 29 through 36 the Woonsocket arts and entertainment district is defined as the area beginning at a
20 point of land on the southwest bank of the Blackstone River abutting the bridge for the
21 Providence & Worcester Railroad and proceeding northerly to a point at the intersection of
22 Worrall Street, Clinton Street and Harry S. Truman Drive, then proceeding northwesterly along
23 Worrall Street to its intersection with Social Street, then turning westerly on Social Street
24 proceeding to its intersection with Main Street, Blackstone Street and North Main Street, then
25 turning northwesterly and proceeding along Blackstone Street to its intersection with River Street,
26 then turning northerly and proceeding along River Street to its intersection with the north/east
27 bank of Blackstone River, then following the riverbank southerly to the bridge at Bernon Street
28 and turning easterly crossing the Blackstone River via Bernon Street and proceeding to its
29 intersection with Front Street, then turning northeasterly on Front Street and proceeding to its
30 intersection with Hamlet Avenue, and to include the former courthouse on the southerly side of
31 Front Street at its intersection with Hamlet Avenue, then turning easterly on Hamlet Avenue and
32 proceeding to its intersection with Manville Road, then turning southeasterly on Manville Road
33 and proceeding to its intersection with Davison Avenue, then turning northeasterly on Davison
34 Avenue and proceeding to a point on the south/west bank of the Blackstone River, then turning

1 northerly, following the southerly riverbank to the point of beginning. The abovementioned
2 streets are included in the district. The Warwick arts district is defined as that area known as
3 Pontiac Village, beginning on Route 5 at the Warwick/Cranston municipal boundary, then south
4 to the intersection of Route 5 and the Pawtuxet River, then following the Pawtuxet River in an
5 easterly and northerly direction to the municipal boundary in the vicinity of Knight Street, then
6 from the intersection of Knight Street and the municipal boundary westerly along the
7 Warwick/Cranston municipal boundary to the intersection of Route 5 and Greenwich Avenue.
8 The above named streets are included in the district.

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

13 (2) This section also applies to sales by any other gallery located in the arts and
14 entertainment district described in subsection (c)(1)(i) as well as any other arts and entertainment
15 district designated by the general assembly, as well as to sales by any other gallery located in
16 those areas within the city of Newport, or the town of Little Compton, 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, as well as to sales by any other gallery located in those areas
19 within the town of Warren which are zoned "waterfront district," "special district," "village
20 business district," "manufacturing district," "business district" or "Warren historic district," as
21 well as to sales by any other gallery located in those areas within the town of Tiverton which are
22 zoned "business commercial," "business waterfront" or "village commercial;" [or in that area of
23 the town of Tiverton which is zoned "Residential R-80" and is bounded by the Bulgarmarsh Road
24 to the north, Cornell Road to the west, King Road to the south, and Crandall Road to the east.](#)

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

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

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

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

34 (e) When an individual makes a request for the exemption, the tax administrator is

1 entitled to all books, documents, or other evidence relating to the publication, production or
2 creation of the works that may be deemed necessary by the tax administrator for the purposes of
3 the exemption. The time period in which to provide this information is in the sole discretion of
4 the tax administrator and specified in the notice.

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

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

12 (h) Notwithstanding the provisions of this section, any individual to whom this section
13 may apply shall comply with all the administration, collection, and other provisions of chapters
14 18 and 19 of this title.

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

17 **44-30-1.1. Exemption from tax for writers, composers and artists.** -- (a) This section
18 shall only apply to writers, composers and artists residing within a section of the defined
19 economic development zone within the city of Providence, Pawtucket, Woonsocket or Warwick,
20 or the economic development zone within the town of Westerly as defined in section 44-18-
21 30B(c)(1)(i), or within the city of Newport or within the town of Tiverton or the town of Little
22 Compton, or within those areas of the town of Warren which are zoned "waterfront district,"
23 "special district," "village business district," "manufacturing district," "business district" or
24 "Warren historic district", or a tax pass-through entity wholly owned by one or more such
25 individuals and who create such work while residing in the zone, or in the case of Newport or the
26 town of Little Compton, within those areas of the city or town which are zoned "general
27 business," "waterfront business" or "limited business" or have been designated by the city of
28 Newport as part of the arts district, or in the case of Warren, within those areas of the town which
29 are zoned "waterfront district," "special district," "village business district," "manufacturing
30 district," "business district" or "Warren historic district," or in the case of Tiverton with those
31 areas of the town which are zoned "business commercial," "business waterfront" or "village
32 commercial-" or in that area of the town of Tiverton which is zoned "Residential R-80" and is
33 bounded by the Bulgarmarsh Road to the north, Cornell Road to the west, King Road to the south,
34 and Crandall Road to the east. For the purposes of this section, a "work" means an original and

1 creative work, whether written, composed, created or executed for "one-of-a-kind, limited"
2 production, before or after the passing of this section, which falls into one of the following
3 categories: (1) a book or other writing; (2) a play or the performance of said play; (3) a musical
4 composition or the performance of said composition; (4) a painting or other like picture; (5) a
5 sculpture; (6) traditional and fine crafts; (7) the creation of a film or the acting of said film; (8)
6 the creation of a dance or the performance of said dance. For purposes of this section, a "work"
7 does not apply to any piece or performance created or executed for industry oriented or related
8 production.

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

10 (i) Who is a resident within the section of the economic development zone designated as
11 the arts and entertainment district in the downtown areas of the cities of Providence, Woonsocket
12 or Pawtucket, and deriving the income exempted from within said district while a resident of said
13 zone, or who is a resident within the section of the arts and entertainment district in the town of
14 Westerly, as defined in section 44-18-30B(c)(1)(i) and who derives the income exempted from
15 within said district while a resident of said zone. For the purposes of this section, the "Providence
16 arts and entertainment district" is defined as the area bounded by Pine Street to the southeast,
17 Dorrance Street to the northeast, Sabin Street to the northwest and Empire Street to the southwest.
18 Said Providence arts and entertainment district also includes the area beginning at the point of
19 intersection of Acorn Street and Harris Avenue, then turning east onto Atwells Avenue to Service
20 Road 7, then turning southerly onto Service Road 7 to Westminster Street, then turning westerly
21 onto Westminster Street, continuing until Bridgham, then turning south onto Bridgham to
22 Cranston Street, then turning southwesterly onto Cranston Street, then continuing to Messer
23 Street, then turning north onto Messer Street to Westminster Street, turning west onto
24 Westminster Street to US Hwy 6 off ramp, then heading west on US Hwy 6 to Sheridan Street,
25 then heading northeast on Sheridan Street to Aleppo Street, then turning southeast along Aleppo
26 Street to Pelham Street, then heading northeast on Pelham Street to Manton Avenue, then
27 continuing southeast on Manton Avenue until Delaine Street, then heading northeast on Delaine
28 Street until Appleton Street, then continuing northwesterly on Appleton Street until Bowdoin
29 Street, then heading north on Bowdoin Street until Barstow Street, then heading east on Barstow
30 until Valley Street, then heading northeast on Valley Street to Hemlock Street, then turning
31 southeast on Hemlock Street until Promenade Street, then heading east on Promenade Street to
32 Acorn Street, then heading south on Acorn Street to the intersection of Acorn Street and Harris
33 Avenue. The abovementioned streets shall be included in the district. The "Westerly arts and
34 entertainment district" is defined in section 44-18-30B(c)(1)(i). The "Pawtucket arts and

1 entertainment district" shall be defined as the area beginning at the point of intersection of Dexter
2 Street and the Central Falls line, then east along the Central Falls Line to the Blackstone River,
3 then north along the city boundary on the Blackstone River to the Cumberland line, then west
4 along the Pawtucket city boundary line to I-95, then south along I-95 to Pine Street, then north on
5 Pine Street to AMTRAK Right of Way, then northwest along the AMTRAK Right of Way to
6 Dexter Street, then north on Dexter Street to the Central Falls line. The abovementioned streets
7 shall be included in the district. The "Woonsocket arts and entertainment district" shall be defined
8 as the area beginning at a point of land on the southwest bank of the Blackstone River abutting
9 the bridge for the Providence & Worcester Railroad and proceeding northerly to a point at the
10 intersection of Worrall Street, Clinton Street and Harry S. Truman Drive, then proceeding
11 northwesterly along Worrall Street to its intersection with Social Street, then turning westerly on
12 Social Street proceeding to its intersection with Main Street, Blackstone Street and North Main
13 Street, then turning northwesterly and proceeding along Blackstone Street to its intersection with
14 River Street, then turning northerly and proceeding along River Street to its intersection with the
15 northeast bank of Blackstone River, then following the riverbank southerly to the bridge at
16 Bernon Street and turning easterly crossing the Blackstone River via Bernon Street and
17 proceeding to its intersection with Front Street, then turning northeasterly on Front Street and
18 proceeding to its intersection with Hamlet Avenue, and to include the former Courthouse on the
19 southerly side of Front Street at its intersection with Hamlet Avenue, then turning easterly on
20 Hamlet Avenue and proceeding to its intersection with Manville Road, then turning southeasterly
21 on Manville Road and proceeding to its intersection with Davison Avenue, then turning
22 northeasterly on Davison Avenue and proceeding to a point on the southwest bank of the
23 Blackstone River, then turning northerly, following the southerly riverbank to the point of
24 beginning. The abovementioned streets are included in the district. The Warwick arts district is
25 defined as that area known as Pontiac Village, beginning on Route 5 at the Warwick/Cranston
26 municipal boundary, then south to the intersection of Route 5 and the Pawtuxet River, then
27 following the Pawtuxet River in an easterly and northerly direction to the municipal boundary in
28 the vicinity of Knight Street, then from the intersection of Knight Street and the municipal
29 boundary westerly along the Warwick/Cranston municipal boundary to the intersection of Route
30 5 and Greenwich Avenue. The above named streets are included in the district.

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

34 This section shall also apply to any individual who is a resident of the town of Warren

1 and whose income otherwise qualifies for an exemption as provided for in this section.

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

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

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

15 (d) The tax administrator may serve on an individual who makes a claim under this
16 subsection a notice or notices, in writing, requiring him or her to make available within any time
17 that may be specified in the notice of all such books, accounts and documents in his or her
18 possession or power as may be requested, being books, accounts and documents relating to the
19 publication, production or sale of the work in respect of the profits or gains of which exemption is
20 claimed.

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

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

28 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 - EXEMPTIONS FOR ARTISTS - TIVERTON

1 This act would add an area located in the Town of Tiverton to the tax exempt artistic
2 communities.

3 This act would take effect upon passage.

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