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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 - SALES TAX EXEMPTION

Introduced By: Senators Sheehan, Hodgson, and Sosnowski

Date Introduced: February 16, 2012

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
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 (12) There is a separate artistic community in the town of North Kingstown known as
19 Wickford Village including certain areas along Route 102, commencing at the Hussey Bridge and
20 which shall run west along Route 102 comprised of Phillips St, Ten Rod Road, and Victory
21 highway up to intersection with Routes 2 and 102. Said area shall include, but not be limited to,
22 the Rodman Mill Pond area and shall encompass both sides of the highways/roads included
23 herein.

24 (b) (1) This section only applies to sales by writers, composers and artists residing in and
25 conducting a business within a section of the defined economic development zone in the cities of
26 Providence or Pawtucket, or the defined economic development zone in the town of Westerly or
27 the defined economic zone in the city of Woonsocket, or the defined economic zone in the city of
28 Warwick, or in those areas within the city of Newport, and the town of Little Compton, which are
29 zoned "general business," "waterfront business," or "limited business" or have been designated
30 by the city of Newport as part of the arts district, or in those areas of the town of Warren which
31 are zoned "waterfront district," "special district," "village business district," "manufacturing
32 district," "business district" or "Warren historic district," or in those areas of the town of Tiverton
33 which are zoned "business commercial," "business waterfront" or "village commercial." or in
34 those areas within the town of North Kingstown cited in subsection 44-18-30.B(12) known as

1 Wickford Village which are zoned "general business," "waterfront business," "limited business"
2 or in those areas which have been designated by the town of North Kingstown as part of the
3 Wickford Village arts district, and are zoned "waterfront district," "special district," "village
4 business district," "manufacturing district," "business district," or "Wickford historic district."

5 For the purposes of this section, a "work" means an original and creative work, whether written,
6 composed or executed for "one-of-a-kind limited" production and which falls into one of the
7 following categories:

- 8 (i) A book or other writing;
- 9 (ii) A play or the performance of said play;
- 10 (iii) A musical composition or the performance of said composition;
- 11 (iv) A painting or other like picture;
- 12 (v) A sculpture;
- 13 (vi) Traditional and fine crafts;
- 14 (vii) The creation of a film or the acting within the film;
- 15 (viii) The creation of a dance or the performance of the dance.

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

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

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

21 (i) Who is a resident of and has a principal place of business situated in the section of the
22 economic development zone designated as the arts and entertainment district in the downtown
23 area of the city of Providence or in the city of Pawtucket, or the defined economic development
24 zone in the town of Westerly or the defined economic zone in the city of Woonsocket, or the
25 defined economic zone in the city of Warwick, or who is a resident of and has a principal place of
26 business situated in those areas within the city of Newport or the town of Little Compton, which
27 are zoned "general business," "waterfront business," or "limited business," or have been
28 designated by the city of Newport as part of the arts district, or who is a resident of and has a
29 principal place of business situated in those areas within the town of Warren which are zoned
30 "waterfront district," "special district," "village business district," "manufacturing district,"
31 "business district" or "Warren historic district," or who is a resident or has a principal place of
32 business situated in those areas within the town of Tiverton which are zoned "business
33 commercial," "business waterfront" or "village commercial." For the purposes of this section, the
34 Providence arts and entertainment district in Providence is defined as the area bounded by Pine

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

1 River via Bernon Street and proceeding to its intersection with Front Street, then turning
2 northeasterly on Front Street and proceeding to its intersection with Hamlet Avenue, and to
3 include the former courthouse on the southerly side of Front Street at its intersection with Hamlet
4 Avenue, then turning easterly on Hamlet Avenue and proceeding to its intersection with Manville
5 Road, then turning southeasterly on Manville Road and proceeding to its intersection with
6 Davison Avenue, then turning northeasterly on Davison Avenue and proceeding to a point on the
7 south/west bank of the Blackstone River, then turning northerly, following the southerly
8 riverbank to the point of beginning. The abovementioned streets are included in the district. The
9 Warwick arts district is defined as that area known as Pontiac Village, beginning on Route 5 at
10 the Warwick/Cranston municipal boundary, then south to the intersection of Route 5 and the
11 Pawtuxet River, then following the Pawtuxet River in an easterly and northerly direction to the
12 municipal boundary in the vicinity of Knight Street, then from the intersection of Knight Street
13 and the municipal boundary westerly along the Warwick/Cranston municipal boundary to the
14 intersection of Route 5 and Greenwich Avenue. The above named streets are included in the
15 district. [The town of North Kingstown's arts district is defined as encompassing the whole of the](#)
16 [area known as Wickford Village, including, portions of Route 102, beginning at the Hussey](#)
17 [Bridge and running westerly on Route 102, comprised of Phillips St, Ten Rod Road, and Victory](#)
18 [Highway until intersecting with Routes 2 and 102. Said area shall include, but not limited to, the](#)
19 [Rodman Mill Pond area and shall encompass both sides of the highways/roads included herein.](#)

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

24 (2) This section also applies to sales by any other gallery located in the arts and
25 entertainment district described in subsection (c)(1)(i) as well as any other arts and entertainment
26 district designated by the general assembly, as well as to sales by any other gallery located in
27 those areas within the city of Newport, or the town of Little Compton, which are zoned "general
28 business," "waterfront business," or "limited business" or have been designated by the city of
29 Newport as part of the arts district, as well as to sales by any other gallery located in those areas
30 within the town of Warren which are zoned "waterfront district," "special district," "village
31 business district," "manufacturing district," "business district" or "Warren historic district," as
32 well as to sales by any other gallery located in those areas within the town of Tiverton which are
33 zoned "business commercial," "business waterfront" or "village commercial."

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

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

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

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

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

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

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

21 (h) Notwithstanding the provisions of this section, any individual to whom this section
22 may apply shall comply with all the administration, collection, and other provisions of chapters
23 18 and 19 of this title.

24 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 TAXATION - SALES TAX EXEMPTION

- 1 This act would create a sales tax exemption for writers, composers and artists in the town
- 2 of North Kingstown along Route 102.
- 3 This act would take effect upon passage.

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