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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO TAXATION - TECHNOLOGY COMPANY BUSINESS TAX CERTIFICATE
TRANSFER ACT

Introduced By: Senators Sheehan, DiPalma, Miller, Jabour, and Picard

Date Introduced: February 28, 2013

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 68

4 TECHNOLOGY COMPANY BUSINESS TAX CERTIFICATE TRANSFER ACT

5 **44-68-1. Definitions.** – For purposes of this chapter:

6 (1) "Technology company" means a business organization which has, for any fiscal year,
7 unused net operating loss carryover tax credits and/or unused research and development tax
8 credits which are provided for pursuant to federal law and/or title 44.

9 (2) "Usable tax credit" means any tax credit certified by the department of revenue as
10 originating and being sold by a company that has invested an amount equal to the sale price of the
11 credits in Rhode Island in depreciable Rhode Island based assets owned and used by the company
12 within twelve (12) months of the sale date.

13 **44-68-2. Sale of tax credits permitted.** – (a) Any technology company as defined herein
14 shall be permitted to sell its unused net operating loss tax credits or research and development tax
15 credits as provided by federal or state law.

16 (b) Any company eligible to purchase the tax credits provided in subsection (a) herein
17 may, subject to department of revenue certification, use the tax credits to calculate its tax liability.

1 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 - TECHNOLOGY COMPANY BUSINESS TAX CERTIFICATE
TRANSFER ACT

1 This act would allow technology companies to sell certain net operating loss or research
2 and development tax credits to qualifying companies who may use them in calculating their tax
3 liability.

4 This act would take effect upon passage.

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