

2014 -- H 7239

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO TAXATION -- SERVICE DISABLED VETERAN BUSINESS TAX CREDIT

Introduced By: Representatives Ucci, Fellela, Martin, O'Brien, and Carnevale

Date Introduced: January 30, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 7-1.2-1602 of the General Laws in Chapter 7-1.2 entitled "Rhode
2 Island Business Corporation Act" is hereby amended to read as follows:

3 **7-1.2-1602. Fees and charges payable to the secretary of state upon filing, certifying**
4 **or copying of papers.** -- (a) The secretary of state shall charge and collect for filing:

5 (1) Articles of incorporation and issuing a certificate of incorporation, seventy dollars
6 (\$70.00).

7 (2) Articles of amendment and issuing a certificate of amendment, fifty dollars (\$50.00).

8 (3) Restated articles of incorporation, seventy dollars (\$70.00).

9 (4) Articles of merger or consolidation and issuing a certificate of merger or
10 consolidation, one hundred dollars (\$100).

11 (5) An application to reserve a corporate name, fifty dollars (\$50.00).

12 (6) A notice of transfer of a reserved corporate name, fifty dollars (\$50.00).

13 (7) (i) Filing a statement of change of registered agent and registered office or filing a
14 statement of change of registered agent, twenty dollars (\$20.00).

15 (ii) Filing a statement of change of registered office only, without fee.

16 (8) A statement of the establishment of a series of shares, ten dollars (\$10.00).

17 (9) A statement of cancellation of shares, ten dollars (\$10.00).

18 (10) A statement of reduction of stated capital, ten dollars (\$10.00).

19 (11) A statement of intent to dissolve, without fee.

- 1 (12) A statement of revocation of voluntary dissolution proceedings, ten dollars
2 (\$10.00).
- 3 (13) Articles of dissolution, fifty dollars (\$50.00).
- 4 (14) An application of a foreign corporation for a certificate of authority to transact
5 business in this state and issuing a certificate of authority, one hundred fifty dollars (\$150).
- 6 (15) An application of a foreign corporation for an amended certificate of authority to
7 transact business in this state and issuing an amended certificate of authority, seventy-five dollars
8 (\$75.00).
- 9 (16) A copy of an amendment to the articles of incorporation of a foreign corporation
10 holding a certificate of authority to transact business in this state, fifty dollars (\$50.00).
- 11 (17) A copy of articles of merger of a foreign corporation holding a certificate of
12 authority to transact business in this state, fifty dollars (\$50.00).
- 13 (18) An application for withdrawal of a foreign corporation and issuing a certificate of
14 withdrawal, fifty dollars (\$50.00).
- 15 (19) An annual report, fifty dollars (\$50.00).
- 16 (20) Registered name application, fifty dollars (\$50.00).
- 17 (21) Certificate of good standing/letter of status, twenty dollars (\$20.00).
- 18 (22) Certificate of fact, thirty dollars (\$30.00).
- 19 (23) Any other statement or report, except an annual report, of a domestic or foreign
20 corporation, ten dollars (\$10.00).
- 21 (24) A certificate of conversion to a non-Rhode Island entity, fifty dollars (\$50.00).
- 22 (b) The secretary of state shall charge and collect:
- 23 (1) To withdraw the certificate of revocation or a corporation, whether domestic or
24 foreign, a penalty in the amount of fifty dollars (\$50.00) for each year or part of a year that has
25 elapsed since the issuance of the certificate of revocation.
- 26 (2) For furnishing a certified copy of any document, instrument, or paper relating to a
27 corporation, fifteen cents (\$.15) per page and ten dollars (\$10.00) for the certificate and affixing
28 the seal to it.
- 29 (3) At the time of any service of process on him or her as resident agent of a corporation,
30 fifteen dollars (\$15.00), which amount may be recovered as taxable costs by the party to the suit
31 or action making the service if the party prevails in the suit or action.
- 32 (c) (1) The secretary of state shall charge and collect from each domestic corporation
33 license fees, based on the number of shares which it has authority to issue or the increase in the
34 number of shares which it has authority to issue, at the time of:

1 (i) Filing articles of incorporation;
2 (ii) Filing articles of amendment increasing the number of authorized shares; and
3 (iii) Filing articles of merger increasing the number of authorized shares which the
4 surviving or new corporation, if a domestic corporation, has the authority to issue above the
5 aggregate number of shares which the constituent domestic corporations and constituent foreign
6 corporations authorized to transact business in this state had authority to issue.

7 (2) The license fees charged to a domestic corporation are as follows:

8 (i) One hundred sixty dollars (\$160) for less than seventy-five million (75,000,000)
9 authorized shares and
10 (ii) One-fifth (1/5) cent per share of each authorized share for seventy-five million
11 (75,000,000) shares or greater.

12 (3) The above license fee calculations also apply when a corporation files an amendment
13 or merger showing an increase in authorized shares.

14 (d) (1) The secretary of state shall charge and collect from each foreign corporation
15 license fees at the time of:

16 (i) Filing an application for a certificate of authority to transact business in this state;
17 (ii) Filing articles of amendment which increased the number of authorized shares; and
18 (iii) Filing articles of merger which increased the number of authorized shares which the
19 surviving or new corporation, if a foreign corporation, has authority to issue above the aggregate
20 number of shares which the constituent domestic corporations and constituent foreign
21 corporations authorized to transact business in this state had authority to issue.

22 (2) The license fees charged to a foreign corporation are as follows:

23 (i) One hundred sixty dollars (\$160) for less than seventy-five million (75,000,000)
24 authorized shares represented in the State of Rhode Island and
25 (ii) One-fifth (1/5) cent per share of each authorized share for 75,000,000 shares or
26 greater.

27 (3) The above license fee calculations also apply when a corporation files an amendment
28 or merger showing an increase in authorized shares.

29 (4) The number of authorized shares represented in this state is that proportion of its total
30 authorized shares which the sum of the value of its property located in this state and the gross
31 amount of business transacted by it at or from places of business in this state bears to the sum of
32 the value of all of its property, wherever located, and the gross amount of its business, wherever
33 transacted. The proportion is determined from information contained in the application for a
34 certificate of authority to transact business in this state or in the application for an amended

1 certificate of authority to transact business in this state.

2 [\(e\) Corporate taxes imposed by this section shall be waived in the instance where the](#)
3 [majority owner of the corporation is a disabled veteran whose disability is service connected as](#)
4 [determined by a finding of the veteran's administration.](#)

5 SECTION 2. Section 44-11-2 of the General Laws in Chapter 44-11 entitled "Business
6 Corporation Tax" is hereby amended to read as follows:

7 **44-11-2. Imposition of tax.** -- (a) Each corporation shall annually pay to the state a tax
8 equal to nine percent (9%) of net income, as defined in section 44-11-11, qualified in section 44-
9 11-12, and apportioned to this state as provided in sections 44-11-13 -- 44-11-15, for the taxable
10 year.

11 (b) A corporation shall pay the amount of any tax as computed in accordance with
12 subsection (a) of this section after deducting from "net income," as used in this section, fifty
13 percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if
14 for the taxable year:

15 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its
16 own behalf and not as a broker, underwriter, or distributor;

17 (2) Its gross receipts derived from these activities during the taxable year amounted to at
18 least ninety percent (90%) of its total gross receipts derived from all of its activities during the
19 year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable
20 consideration, received during the taxable year in connection with the conduct of the taxpayer's
21 activities.

22 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
23 income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten
24 cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of
25 one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the
26 corporation is either a "personal holding company" registered under the federal Investment
27 Company Act of 1940, 15 U.S.C. section 80a-1 et seq., "regulated investment company", or a
28 "real estate investment trust" as defined in the federal income tax law applicable to the taxable
29 year. "Gross income" means gross income as defined in the federal income tax law applicable to
30 the taxable year, plus:

31 (1) Any interest not included in the federal gross income; minus

32 (2) Interest on obligations of the United States or its possessions, and other interest
33 exempt from taxation by this state; and minus

34 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during

1 the taxable year.

2 (d) (1) A small business corporation having an election in effect under subchapter S, 26
3 U.S.C. section 1361 et seq., shall not be subject to the Rhode Island income tax on corporations,
4 except that the corporation shall be subject to the provisions of subsection (a), to the extent of the
5 income that is subjected to federal tax under subchapter S.

6 (2) The shareholders of the corporation who are residents of Rhode Island shall include
7 in their income their proportionate share of the corporation's federal taxable income.

8 (3) [Deleted by P.L. 2004, ch. 595, art. 29, section 1.]

9 (4) [Deleted by P.L. 2004, ch. 595, art. 29, section 1.]

10 (e) Minimum tax. - The tax imposed upon any corporation under this section shall not be
11 less than five hundred dollars (\$500).

12 (f) Fees and charges payable to the secretary of state shall be waived in the instance
13 where the majority owner of the corporation is a disabled veteran whose disability is service
14 connected as determined by a finding of the veteran's administration.

15 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would waive corporate filing fees and the business corporation tax for a
2 corporation whose majority owner is a veteran suffering a service connected disability.

3 This act would take effect upon passage.

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