

2014 -- H 7418

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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 -- PERSONAL INCOME TAX

Introduced By: Representatives Trillo, Corvese, Costa, Morgan, and Giarrusso

Date Introduced: February 12, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-30-1 of the General Laws in Chapter 44-30 entitled "Personal
2 Income Tax" is hereby amended to read as follows:

3 **44-30-1. Persons subject to tax.** -- (a) Imposition of tax. - A Rhode Island personal
4 income tax determined in accordance with the rates set forth in section 44-30-2 is imposed for
5 each taxable year (which shall be the same as the taxable year for federal income tax purposes) on
6 the Rhode Island income of every individual, estate, and trust; provided, however, that such tax
7 shall not be imposed on the income of any individual who has reached full retirement age as
8 defined by the Social Security Administration.

9 (b) Partners and partnerships. - A partnership as such shall not be subject to the Rhode
10 Island personal income tax. Persons carrying on business as partners shall be liable for the Rhode
11 Island personal income tax only in their separate or individual capacities.

12 (c) Associations taxable as corporations. - An association, trust, or other unincorporated
13 organization, which is taxable as a corporation under the provisions of chapter 11 of this title,
14 shall not be subject to the Rhode Island personal income tax.

15 (d) Exempt trusts and organizations. - A trust or other unincorporated organization,
16 which by reason of its purposes or activities is exempt from federal income tax, shall be exempt
17 from the Rhode Island personal income tax, except with respect to its unrelated business taxable
18 income.

19 (e) Cross references. - For definitions of Rhode Island income of:

- 1 (1) Resident individuals, see section 44-30-12.
- 2 (2) Resident estate or trust, see section 44-30-16.
- 3 (3) Nonresident individual, see section 44-30-32.
- 4 (4) Nonresident estate or trust, see section 44-30-35.
- 5 SECTION 2. 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 exempt from the Rhode Island personal income tax the income of any
- 2 individual who has reached full retirement age as defined by the Social Security Administration.
- 3 This act would take effect upon passage.

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