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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO TAXATION

Introduced By: Representatives Maldonado, Marshall, McKiernan, Carson, and Morin

Date Introduced: April 16, 2015

Referred To: House 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 43.2

4 SMALL BUSINESS TAX CREDIT

5 **44-43.2-1. Application.** -- For the purposes of this chapter, a "small business" means any
6 corporation, partnership, sole proprietorship, or other business entity qualifying as "small" under
7 the standards contained in 13 C.F.R 121.

8 **44-43.2-2. Credit against tax imposed.** -- Every small business formed under the laws
9 of the state of Rhode Island and operating within the State of Rhode Island shall be entitled to
10 claim as a credit against the tax imposed by chapters 11 through 17 and 30 of this title any
11 amount paid to the U.S. Small Business Administration (SBA) as a guaranty fee pursuant to the
12 obtaining of SBA guaranteed financing. This credit will be available to the small business up to
13 sixty (60) months after the payment of the guaranty fee; provided, however, where a minimum
14 tax is provided under this title, the credit shall not reduce the tax below the minimum tax and
15 shall be claimable only by the small business which is the primary obligor in the financing
16 transaction and which actually paid the guaranty fee.

1 SECTION 2. This act shall take effect upon passage, and is applicable to tax years
2 beginning on or after January 1, 2016.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would allow small businesses to claim a tax credit, for up to sixty (60) months,
2 for amounts paid to the United States Small Business Administration as a guaranty fee when
3 offering SBA guaranty financing.

4 This act would take effect upon passage, and would be applicable to tax years beginning
5 on or after January 1, 2016.

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