

2016 -- S 2749

LC005365

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO TAXATION - TAX CREDITS

Introduced By: Senators Miller, Ruggerio, Goodwin, Pearson, and Sosnowski

Date Introduced: March 10, 2016

Referred To: Senate Finance

(General Treasurer)

It is enacted by the General Assembly as follows:

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

CHAPTER 70

THE TAX CREDIT REPORTING AND REDEMPTION ACT

**44-70-1. Short title. --** This act shall be known and may be cited as "The Tax Credit Reporting and Redemption Act."

**44-70-2. Purpose. --** The purpose of this chapter is to enhance reporting requirements related to the transfer or conveyance of transferable tax credits, and to increase the level at which the state shall redeem transferable credits to one hundred percent (100%) of the value of the tax credits.

**44-70-3. Reporting. --** (a) The division of taxation shall establish, by regulation, the process for the assignment, transfer or conveyance of transferable tax credits for credits under the following chapters of the general laws: chapter 42-64.20 ("Rebuild Rhode Island Tax Credit"); chapter 44-31.2 ("Motion Picture Production Tax Credits"); chapter 44-33.6 ("Historic Preservation Tax Credits 2013"); and chapter 44-48.3 ("Rhode Island New Qualified Jobs Incentive Act 2015").

(b) The reporting requirements promulgated by the division of taxation shall include a notification of any assignment, transfer, or conveyance of tax credits within thirty (30) days after the transfer or sale of such tax credits. The notification shall include the transferor's tax credit

1 balance prior to transfer, the credit certificate number, the transferor's remaining tax credit  
2 balance after transfer, all identification numbers for both transferor and transferee, the date of  
3 transfer, the amount transferred, the price paid for the credits, a copy of the credit certificate, and  
4 any other information required by the division of taxation.

5 **44-70-4. Redemption. --** (a) The division of taxation shall establish, by regulation, a  
6 redemption process for tax credits referenced under the following chapters of the general laws:  
7 chapter 42-64.20 ("Rebuild Rhode Island Tax Credit"); chapter 44-31.2 ("Motion Picture  
8 Production Tax Credits"); chapter 44-33.6 ("Historic Preservation Tax Credits 2013"); and  
9 chapter 44-48.3 ("Rhode Island New Qualified Jobs Incentive Act 2015").

10 (b) Upon request of a taxpayer and subject to annual appropriation, the state shall redeem  
11 all credits referenced in chapter 42-64.20 ("Rebuild Rhode Island Tax Credit"), chapter 44-31.2  
12 ("Motion Picture Production Tax Credits"), chapter 44-33.6 ("Historic Preservation Tax Credits  
13 2013"), and chapter 44-48.3 ("Rhode Island New Qualified Jobs Incentive Act 2015") of the  
14 general laws, in whole or in part, for one hundred percent (100%) of the value of the tax credit.

15 SECTION 2. This act shall take effect on January 1, 2017.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO TAXATION - TAX CREDITS

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- 1           This act would enhance the reporting requirements related to the transfer or conveyance  
2 of transferable tax credits and would increase the level at which the state would redeem  
3 transferable credits to one hundred percent (100%) of the value of the tax credits.  
4           This act would take effect on January 1, 2017.

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