

2017 -- S 0737

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO TAXATION -- RHODE ISLAND LIVABLE HOME TAX CREDIT ACT

Introduced By: Senators Nesselbush, Lombardi, Quezada, Crowley, and Sosnowski

Date Introduced: April 12, 2017

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 70

4 RHODE ISLAND LIVABLE HOME TAX CREDIT ACT

5 **44-70-1. Short title.**

6 This chapter shall be known and may be cited as the "Rhode Island Livable Home Tax
7 Credit Act."

8 **44-70-2. Tax credits.**

9 For taxable years beginning on and after January 1, 2018, any taxpayer who purchases a
10 new residence or retrofits or hires someone to retrofit an existing residence, provided that such
11 new residence or the retrofitting of such existing residence is designed to improve accessibility or
12 provide universal visitability, and meets the eligibility requirements established by guidelines
13 developed by the governor's commission on disabilities, shall be allowed a credit against the tax
14 imposed pursuant to §44-30-1 of an amount equal to five thousand dollars (\$5,000) for such new
15 residence, or fifty percent (50%) of the total amount spent for the retrofitting of such existing
16 residence, not to exceed five thousand dollars (\$5,000). The credit shall be allowed for the taxable
17 year in which the residence has been purchased or construction, retrofitting, or renovation of the
18 residence or residential structure or unit has been completed. Such credit shall require a
19 completed application by the taxpayer as provided in §44-70-4.

1 **44-70-3. Applications.**

2 Eligible taxpayers shall apply for the credit by making application to the governor's
3 commission on disabilities, which shall issue a certification for an approved application to the
4 taxpayer. The taxpayer shall attach the certification to the applicable income tax return. The total
5 amount of tax credits granted under this section for any fiscal year shall not exceed five hundred
6 thousand dollars (\$500,000). In the event applications for the tax credit exceed the amount
7 allocated by the governor's commission on disabilities for the fiscal year, the governor's
8 commission on disabilities shall issue the tax credits pro rata based upon the amount of tax credit
9 approved for each taxpayer and the amount of tax credits allocated by the governor's commission
10 on disabilities.

11 **44-70-4. Limitations.**

12 (a) No credit shall be allowed under this chapter for the purchase, construction,
13 retrofitting, or renovation of residential rental property.

14 (b) In no case shall the governor's commission on disabilities issue any tax credit relating
15 to transactions or dealings between affiliated entities. In no case shall the governor's commission
16 on disabilities issue any tax credit more than once to the same or different persons relating to the
17 same retrofitting, renovation, or construction project.

18 (c) In no case shall the amount of credit taken by a taxpayer pursuant to this chapter
19 exceed the taxpayer's income tax liability for the taxable year. If the amount of credit allowed for
20 the taxable year in which the residence has been purchased or construction, retrofitting, or
21 renovation of the residence or residential structure or unit has been completed exceeds the
22 taxpayer's income tax liability imposed for such taxable year, then the amount that exceeds the
23 tax liability may be carried over for credit against the income taxes of such taxpayer in the next
24 seven (7) taxable years or until the total amount of the tax credit issued has been taken, whichever
25 is sooner.

26 **44-70-5. Reporting.**

27 By August 15 of each year, commencing in 2017, the division of taxation shall report the
28 number of tax credits issued to qualifying individuals; the number of applicants who did not
29 qualify; the total dollar amount of tax credits issued; and the average tax credits issued.

30 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 -- RHODE ISLAND LIVABLE HOME TAX CREDIT ACT

1 This act would establish the "Rhode Island Livable Home Tax Credit Act", and would
2 provide for its administration.

3 This act would take effect upon passage.

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