

2021 -- S 0137

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO TAXATION -- TAX CREDIT FOR WAGE PAYMENTS

Introduced By: Senators Raptakis, Lombardi, Paolino, Lombardo, and Ciccone

Date Introduced: January 26, 2021

Referred To: Senate Labor

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 TAX CREDIT FOR WAGE PAYMENTS

5 **44-70-1. Tax credit for payment of wages.**

6 In order to assist employers in maintaining employees on their payroll, and businesses  
7 which employ and retain employees in the state of Rhode Island, there is established a tax credit  
8 for payment of wages at or in excess of minimum wage requirements at or exceeding eleven dollars  
9 and fifty cents (\$11.50) per hour. This credit is in addition to all other deductions and credits  
10 authorized by law.

11 **44-70-2. Application and calculation of credit.**

12 A business whose employees are compensated on an hourly basis shall be entitled to claim  
13 the following tax credit under the following circumstances:

14 (1) On the effective date that an employer shall pay his or her employees a minimum wage  
15 of eleven dollars and fifty cents (\$11.50) per hour pursuant to the provisions of §28-12-3, a tax  
16 credit of one dollar is authorized for each hour of wages paid.

17 (2) On the effective date that an employer shall pay his or her employees a minimum wage  
18 of thirteen dollars (\$13.00) per hour pursuant to the provisions of §28-12-3, a tax credit of two  
19 dollars (\$2.00) is authorized for each hour of wages paid.

1           (3) On the effective date that an employer shall pay his or her employees a minimum wage  
2 of fourteen dollars (\$14.00) or more per hour pursuant to the provisions of §28-12-3, a tax credit  
3 of three dollars (\$3.00) is authorized for each hour of wages paid.

4           **44-70-3. Rules and regulations.**

5           The tax administrator shall promulgate rules and regulations for the implementation of the  
6 provisions of this chapter.

7           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO TAXATION -- TAX CREDIT FOR WAGE PAYMENTS

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1           This act would provide tax credits for businesses as minimum wage bench marks are  
2 reached or adopted in the future. The benchmarks are as follows:

3           (1) Eleven dollars and fifty cents (\$11.50) - tax credit of one dollar (\$1.00) per hour of  
4           wages paid.

5           (2) Thirteen dollars (\$13.00) – tax credit of two dollars (\$2.00) per hour of wages paid.

6           (3) Fourteen dollars (\$14.00) – tax credit of three dollars (\$3.00) per hour of wages paid.

7           This act would take effect upon passage.

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