

2022 -- S 2893

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LC005738
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- STAY INVESTED IN RI
WAVEMAKER FELLOWSHIP

Introduced By: Senators Pearson, Gallo, Goodwin, Cano, Murray, Zurier, and Seveney

Date Introduced: April 26, 2022

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-64.26-3, 42-64.26-5, 42-64.26-8 and 42-64.26-12 of the General
2 Laws in Chapter 42-64.26 entitled "Stay Invested in RI Wavemaker Fellowship" are hereby
3 amended to read as follows:

4 **42-64.26-3. Definitions.**

5 As used in this chapter:

6 ~~(2)~~(1) "Applicant" means an eligible graduate who applies for a tax credit for education
7 loan repayment expenses under this chapter.

8 ~~(3)~~(2) "Award" means a tax credit awarded by the commerce corporation to an applicant
9 as provided under this chapter.

10 ~~(4)~~(3) "Business" means any corporation, state bank, federal savings bank, trust company,
11 national banking association, bank holding company, loan and investment company, mutual
12 savings bank, credit union, building and loan association, insurance company, investment
13 company, broker-dealer company or surety company, limited liability company, partnership, sole
14 proprietorship, or federal agency or subsidiaries thereof.

15 ~~(5)~~(4) "Commerce corporation" means the Rhode Island commerce corporation established
16 pursuant to chapter 64 of title 42.

17 ~~(6)~~(5) "Eligible expenses" or "education loan repayment expenses" means annual higher
18 education loan repayment expenses, including, without limitation, principal, interest and fees, as

1 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to
2 repay for attendance at a postsecondary institution of higher learning.

3 ~~(6)~~ "Eligible graduate" means an individual who meets the eligibility requirements
4 under this chapter.

5 (7) "Eligible high-demand STEM teacher" means a full-time content area teacher employed
6 by a Rhode Island local education agency and satisfying criteria proposed by the Rhode Island
7 commissioner of education in consultation with the commerce corporation and approved by the
8 commerce corporation, which at a minimum shall include provisions regarding minimum
9 instructional hours and qualifying high-demand STEM subject areas.

10 ~~(8)~~ "Eligibility period" means a term of up to four (4) consecutive service periods
11 beginning with the date that an eligible graduate receives initial notice of award under this chapter
12 and expiring at the conclusion of the fourth service period after such date specified.

13 ~~(9)~~ "Eligibility requirements" means the following qualifications or criteria required for
14 an applicant to claim an award under this chapter:

15 (i) That the applicant shall have graduated from an accredited two (2) year, four (4) year
16 or graduate postsecondary institution of higher learning with an associate's, bachelor's, graduate, or
17 post-graduate degree and at which the applicant incurred education loan repayment expenses; and
18 be either:

19 (A) ~~(ii)~~ That the applicant shall be a full-time employee with a Rhode Island-based
20 employer located in this state throughout the eligibility period, whose employment is as a health
21 care professional licensed by the department of health or who works ~~for work~~ in one or more of the
22 following covered fields: life, natural or environmental sciences; computer, information or software
23 technology; advanced mathematics or finance; engineering; industrial design or other commercially
24 related design field; or medicine or medical device technology; or

25 (B) A full-time employee that is a teacher or an eligible high-demand STEM teacher.

26 ~~(9)~~ (10) "Full-time employee" means a person who is employed by a business as a teacher
27 or an eligible high-demand STEM teacher as defined herein for consideration for a minimum of at
28 least thirty-five (35) hours per week, or who renders any other standard of service generally
29 accepted by custom or practice as full-time employment, or who is employed by a professional
30 employer organization pursuant to an employee leasing agreement between the business and the
31 professional employer organization for a minimum of thirty-five (35) hours per week, or who
32 renders any other standard of service generally accepted by custom or practice as full-time
33 employment, and whose earnings are subject to Rhode Island income tax and whose wages are
34 subject to withholding.

1 ~~(13)~~(11) "Fund" refers to the "Stay Invested in RI Wavemaker Fellowship Fund"
2 established pursuant to § 42-64.26-4.

3 (12) "Local education agency" means a public board of education/school committee or
4 other public authority legally constituted within the state for either administrative control or
5 direction of one or more Rhode Island public elementary schools or secondary schools, or a regional
6 school district, state-operated school, regional collaboration, and charter school or mayoral
7 academy.

8 ~~(12)~~(13) "Rhode Island-based employer" means (i) an employer having a principal place
9 of business or at least fifty-one percent (51%) of its employees located in this state; or (ii) an
10 employer registered to conduct business in this state that reported Rhode Island tax liability in the
11 previous tax year.

12 ~~(10)~~(14) "Service period" means a twelve (12) month period beginning on the date that an
13 eligible graduate receives initial notice of award under this chapter.

14 ~~(11)~~(15) "Student loan" means a loan to an individual by a public authority or private lender
15 to assist the individual to pay for tuition, books, and living expenses in order to attend a
16 postsecondary institution of higher learning.

17 ~~(4)~~(16) "Taxpayer" means an applicant who receives a tax credit under this chapter.

18 **42-64.26-5. Administration.**

19 (a) Application. An eligible graduate claiming an award under this chapter shall submit to
20 the commerce corporation an application in the manner that the commerce corporation shall
21 prescribe.

22 (b) Upon receipt of a proper application from an applicant who meets all of the eligibility
23 requirements, the commerce corporation shall select applicants on a competitive basis to receive
24 credits for up to a maximum amount for each service period of one thousand dollars (\$1,000) for
25 an associate's degree holder, four thousand dollars (\$4,000) for a bachelor's degree holder, and six
26 thousand dollars (\$6,000) for a graduate or post-graduate degree holder, but not to exceed the
27 education loan repayment expenses incurred by such taxpayer during each service period
28 completed, for up to four (4) consecutive service periods provided that the taxpayer continues to
29 meet the eligibility requirements throughout the eligibility period. The commerce corporation shall
30 delegate the selection of the applicants that are to receive awards to ~~a~~ one or more fellowship
31 committee or committees to be convened by the commerce corporation and promulgate the
32 selection procedures the fellowship committee or committees will use, which procedures shall
33 require that the committee's consideration of applications be conducted on a name-blind and
34 employer-blind basis and that the applications and other supporting documents received or

1 reviewed by the fellowship committee or committees shall be redacted of the applicant's name,
2 street address, and other personally-identifying information as well as the applicant's employer's
3 name, street address, and other employer-identifying information. The commerce corporation shall
4 determine the composition of the fellowship committee or committees and the selection procedures
5 it will use in consultation with the state's chambers of commerce or the state department of
6 education as appropriate.

7 (c) The credits awarded under this chapter shall not exceed one hundred percent (100%) of
8 the education loan repayment expenses paid by such taxpayer during each service period completed
9 for up to four (4) consecutive service periods. Tax credits shall be issued annually to the taxpayer
10 upon proof that (i) The taxpayer has actually incurred and paid such education loan repayment
11 expenses; (ii) The taxpayer continues to meet the eligibility requirements throughout the service
12 period; (iii) The award shall not exceed the original loan amount plus any capitalized interest less
13 award previously claimed under this section; and (iv) The taxpayer claiming an award is current on
14 his or her student loan repayment obligations.

15 (d) In consultation with the Rhode Island department of education, and the department of
16 health, the commerce corporation shall set guidelines for the proportion of awards to be made to
17 eligible teachers, high-demand STEM teachers and licensed health care professionals.

18 ~~(d)~~(e) The commerce corporation shall not commit to overall awards in excess of the
19 amount contained in the fund.

20 ~~(e)~~(f) The commerce corporation shall reserve seventy percent (70%) of the awards issued
21 in a calendar year to applicants who are permanent residents of the state of Rhode Island or who
22 attended an institution of higher education located in Rhode Island when they incurred the
23 education loan expenses to be repaid.

24 ~~(f)~~(g) In administering award, the commerce corporation shall:

25 (1) Require suitable proof that an applicant meets the eligibility requirements for award
26 under this chapter;

27 (2) Determine the contents of applications and other materials to be submitted in support
28 of an application for award under this chapter; and

29 (3) Collect reports and other information during the eligibility period for each award to
30 verify that a taxpayer continues to meet the eligibility requirements for an award.

31 **42-64.26-8. Carry forward and redemption of tax credits.**

32 (a) If the amount of the tax credit allowed under this chapter exceeds the taxpayer's total
33 tax liability for the year in which the credit is allowed, the amount of such credit that exceeds the
34 taxpayer's tax liability may be carried forward and applied against the taxes imposed for the

1 succeeding four (4) years, or until the full credit is used, whichever occurs first.

2 (b) The tax credit allowed under this chapter may be used as a credit against personal
3 income taxes imposed under chapter 30 of title 44.

4 (c) The division of taxation shall at the request of a taxpayer redeem such credits in whole
5 or in part for one hundred percent (100%) of the value of the tax credit.

6 (d) Any award ~~issued~~ made pursuant to this chapter ~~after January 1, 2021,~~ shall be exempt
7 from taxation under title 44 of the General Laws.

8 **42-64.26-12. Sunset.**

9 No incentives or credits shall be authorized pursuant to this chapter after December 31,
10 ~~2022~~ 2023.

11 SECTION 2. This act shall take effect upon passage and sunset on December 31, 2023.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- STAY INVESTED IN RI
WAVEMAKER FELLOWSHIP

1 This act would expand the Wavemaker Fellowship Program to include public school
2 teachers, including public school teachers in the high-need fields of science, technology,
3 engineering and mathematics, as well as health care professionals licensed by the department of
4 health.

5 This act would take effect upon passage and would sunset on December 31, 2023.

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