

2023 -- H 5963

LC002160

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO TAXATION -- TAX CREDIT BENEFIT VERIFICATION

Introduced By: Representatives Lima, and Cardillo

Date Introduced: March 01, 2023

Referred To: House State Government & Elections

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 71

4 TAX CREDIT BENEFIT VERIFICATION

5 **44-71-1. Benefit of tax credits to the State of Rhode Island to be verified.**

6 Any business applying for a tax credit pursuant to title 42 or title 44 shall comply with the
7 provisions of this chapter relating to the nature of the tax credit benefits to the State of Rhode Island
8 deriving from the issuance of tax credits to businesses. Any business applying for a tax credit shall
9 provide the division of taxation with:

10 (1) A waiver of confidentiality providing the division of taxation access to any and all
11 business or financial records necessary to verify the benefit to the State of Rhode Island from the
12 issuance of the tax credit to the business.

13 (2) A signed affidavit indicating that the business shall turn over all financial records which
14 are relevant to determine what the benefit to the State of Rhode Island is as a result of the issuance
15 of the tax credit to the business.

16 **44-71-2. Benefit of tax credits to the State of Rhode Island to be verified - Existing**
17 **recipient's requirements.**

18 (a) Any business currently receiving a tax credit pursuant to title 42 or title 44 shall comply
19 with the provisions of §44-71-1 by providing the division of taxation with a waiver of

1 confidentiality and an affidavit indicating that the business will provide all relevant business
2 records necessary to verify benefits to the State of Rhode Island resulting from the issuance of the
3 tax credit to the business.

4 (b) Any business which fails to comply with the provisions of this chapter shall return to
5 the State of Rhode Island an amount equal to the tax credit already given.

6 **44-71-3. Rules and regulations.**

7 The tax administrator is authorized and empowered to promulgate rules and regulations
8 necessary for the proper administration, implementation and enforcement of this chapter.

9 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 BENEFIT VERIFICATION

- 1 This act would require business tax credit recipients to provide the state with financial
- 2 business records to document any benefit to the state from the issuance of the tax credit.
- 3 This act would take effect upon passage.

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