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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

Introduced By: Senators Mack, Sosnowski, DiPalma, and de la Cruz

Date Introduced: March 04, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property  
2 Subject to Taxation" is hereby amended to read as follows:

3           **44-3-3. Property exempt.**

4           (a) The following property is exempt from taxation:

5           (1) Property belonging to the state, except as provided in § 44-4-4.1;

6           (2) Lands ceded or belonging to the United States;

7           (3) Bonds and other securities issued and exempted from taxation by the government of  
8 the United States or of this state;

9           (4) Real estate, used exclusively for military purposes, owned by chartered or incorporated  
10 organizations approved by the adjutant general and composed of members of the national guard,  
11 the naval militia, or the independent, chartered-military organizations;

12           (5) Buildings for free public schools, buildings for religious worship, and the land upon  
13 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so  
14 far as the buildings and land are occupied and used exclusively for religious or educational  
15 purposes;

16           (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or  
17 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,  
18 owned by, or held in trust for, any religious organization and actually used by its officiating clergy;  
19 provided, further, that in the town of Charlestown, where the property previously described in this

1 paragraph is exempt in total, along with dwelling houses and the land on which they stand in  
2 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the dwelling  
3 house is located, whichever is the greater, owned by, or held in trust for, any religious organization  
4 and actually used by its officiating clergy, or used as a convent, nunnery, or retreat center by its  
5 religious order;

6 (7) Intangible personal property owned by, or held in trust for, any religious or charitable  
7 organization, if the principal or income is used or appropriated for religious or charitable purposes;

8 (8) Buildings and personal estate owned by any corporation used for a school, academy, or  
9 seminary of learning, and of any incorporated public charitable institution, and the land upon which  
10 the buildings stand and immediately surrounding them to an extent not exceeding one acre, so far  
11 as they are used exclusively for educational purposes, but no property or estate whatever is hereafter  
12 exempt from taxation in any case where any part of its income or profits, or of the business carried  
13 on there, is divided among its owners or stockholders; provided, however, that unless any private  
14 nonprofit corporation organized as a college or university located in the town of Smithfield reaches  
15 a memorandum of agreement with the town of Smithfield, the town of Smithfield shall bill the  
16 actual costs for police, fire, and rescue services supplied, unless otherwise reimbursed, to said  
17 corporation commencing March 1, 2014;

18 (9) Estates, persons, and families of the president and professors for the time being of  
19 Brown University for not more than ten thousand dollars (\$10,000) for each officer, the officer's  
20 estate, person, and family included, but only to the extent that any person had claimed and utilized  
21 the exemption prior to, and for a period ending, either on or after December 31, 1996;

22 (10) Property especially exempt by charter unless the exemption has been waived in whole  
23 or in part; provided that, notwithstanding any provision of a charter or act of incorporation or other  
24 law to the contrary, any real and personal property (or portion thereof) of a healthcare facility,  
25 and/or any parent corporation, operator, manager, or subsidiary thereof, or of an institution of  
26 higher education, that would otherwise be exempted from property taxation that is leased to,  
27 subleased to, occupied or used by an entity, organization, or individual that is not itself exempted  
28 from property taxation shall be taxed to the tenant, who, for the purposes of taxation is deemed the  
29 owner;

30 (11) Lots of land exclusively for burial grounds;

31 (12) Property, real and personal, held for, or by, an incorporated library, society, or any  
32 free public library, or any free public library society, so far as the property is held exclusively for  
33 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor  
34 generally, or for a nonprofit hospital for the sick or disabled;

1           (13) Real or personal estate belonging to, or held in trust for, the benefit of incorporated  
2 organizations of veterans of any war in which the United States has been engaged, the parent body  
3 of which has been incorporated by act of Congress, to the extent of four hundred thousand dollars  
4 (\$400,000) if actually used and occupied by the association; provided, that the city council of the  
5 city of Cranston may by ordinance exempt the real or personal estate as previously described in  
6 this subdivision located within the city of Cranston to the extent of five hundred thousand dollars  
7 (\$500,000);

8           (14) Property, real and personal, held for, or by, the fraternal corporation, association, or  
9 body created to build and maintain a building or buildings for its meetings or the meetings of the  
10 general assembly of its members, or subordinate bodies of the fraternity, and for the  
11 accommodation of other fraternal bodies or associations, the entire net income of which real and  
12 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or  
13 asylums, a home or homes, a school or schools, for the free education or relief of the members of  
14 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity, their  
15 wives, widows, or orphans, and any fund given or held for the purpose of public education,  
16 almshouses, and the land and buildings used in connection therewith;

17           (15) Real estate and personal property of any incorporated volunteer fire engine company  
18 or incorporated volunteer ambulance or rescue corps in active service;

19           (16) The estate of any person who, in the judgment of the assessors, is unable from infirmity  
20 or poverty to pay the tax; provided, that in the towns of Burrillville and West Greenwich, the tax  
21 shall constitute a lien for five (5) years on the property where the owner is entitled to the exemption.  
22 At the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold  
23 or conveyed, or if debt secured by the property is refinanced during the five-year (5) period, the  
24 lien immediately becomes due and payable; any person claiming the exemption aggrieved by an  
25 adverse decision of an assessor shall appeal the decision to the local board of tax review and  
26 thereafter according to the provisions of § 44-5-26;

27           (17) Household furniture and family stores of a housekeeper in the whole, including  
28 clothing, bedding, and other white goods, books, and all other tangible personal property items that  
29 are common to the normal household;

30           (18) Improvements made to any real property to provide a shelter and fallout protection  
31 from nuclear radiation, to the amount of one thousand five hundred dollars (\$1,500); provided, that  
32 the improvements meet applicable standards for shelter construction established, from time to time,  
33 by the Rhode Island emergency management agency. The improvements are deemed to comply  
34 with the provisions of any building code or ordinance with respect to the materials or the methods

1 of construction used and any shelter or its establishment is deemed to comply with the provisions  
2 of any zoning code or ordinance;

3 (19) Aircraft for which the fee required by § 1-4-6 has been paid to the tax administrator;

4 (20) **Manufacturer's inventory.**

5 (i) For the purposes of §§ 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is deemed to be  
6 a manufacturer within a city or town within this state if that person uses any premises, room, or  
7 place in it primarily for the purpose of transforming raw materials into a finished product for trade  
8 through any or all of the following operations: adapting, altering, finishing, making, and  
9 ornamenting; provided, that public utilities; non-regulated power producers commencing  
10 commercial operation by selling electricity at retail or taking title to generating facilities on or after  
11 July 1, 1997; building and construction contractors; warehousing operations, including distribution  
12 bases or outlets of out-of-state manufacturers; and fabricating processes incidental to warehousing  
13 or distribution of raw materials, such as alteration of stock for the convenience of a customer; are  
14 excluded from this definition;

15 (ii) For the purposes of this section and §§ 44-4-10 and 44-5-38, the term "manufacturer's  
16 inventory," or any similar term, means and includes the manufacturer's raw materials, the  
17 manufacturer's work in process, and finished products manufactured by the manufacturer in this  
18 state, and not sold, leased, or traded by the manufacturer or its title or right to possession divested;  
19 provided, that the term does not include any finished products held by the manufacturer in any retail  
20 store or other similar selling place operated by the manufacturer whether or not the retail  
21 establishment is located in the same building in which the manufacturer operates the manufacturing  
22 plant;

23 (iii) For the purpose of § 44-11-2, a "manufacturer" is a person whose principal business  
24 in this state consists of transforming raw materials into a finished product for trade through any or  
25 all of the operations described in paragraph (i) of this subdivision. A person will be deemed to be  
26 principally engaged if the gross receipts that person derived from the manufacturing operations in  
27 this state during the calendar year or fiscal year mentioned in § 44-11-1 amounted to more than  
28 fifty percent (50%) of the total gross receipts that person derived from all the business activities in  
29 which that person engaged in this state during the taxable year. For the purpose of computing the  
30 percentage, gross receipts derived by a manufacturer from the sale, lease, or rental of finished  
31 products manufactured by the manufacturer in this state, even though the manufacturer's store or  
32 other selling place may be at a different location from the location of the manufacturer's  
33 manufacturing plant in this state, are deemed to have been derived from manufacturing;

34 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term

1 “manufacturer” also includes persons who are principally engaged in any of the general activities  
2 coded and listed as establishments engaged in manufacturing in the Standard Industrial  
3 Classification Manual prepared by the Technical Committee on Industrial Classification, Office of  
4 Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as  
5 revised from time to time, but eliminating as manufacturers those persons, who, because of their  
6 limited type of manufacturing activities, are classified in the manual as falling within the trade  
7 rather than an industrial classification of manufacturers. Among those thus eliminated, and  
8 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons  
9 primarily engaged in selling, to the general public, products produced on the premises from which  
10 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and  
11 custom tailors, except, that a person who manufactures bakery products for sale primarily for home  
12 delivery, or through one or more non-baking retail outlets, and whether or not retail outlets are  
13 operated by the person, is a manufacturer within the meaning of this paragraph;

14 (v) The term “Person” means and includes, as appropriate, a person, partnership, or  
15 corporation; and

16 (vi) The department of revenue shall provide to the local assessors any assistance that is  
17 necessary in determining the proper application of the definitions in this subdivision;

18 (21) Real and tangible personal property acquired to provide a treatment facility used  
19 primarily to control the pollution or contamination of the waters or the air of the state, as defined  
20 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been constructed,  
21 reconstructed, erected, installed, or acquired in furtherance of federal or state requirements or  
22 standards for the control of water or air pollution or contamination, and certified as approved in an  
23 order entered by the director of environmental management. The property is exempt as long as it is  
24 operated properly in compliance with the order of approval of the director of environmental  
25 management; provided, that any grant of the exemption by the director of environmental  
26 management in excess of ten (10) years is approved by the city or town in which the property is  
27 situated. This provision applies only to water and air pollution control properties and facilities  
28 installed for the treatment of waste waters and air contaminants resulting from industrial  
29 processing; furthermore, it applies only to water or air pollution control properties and facilities  
30 placed in operation for the first time after April 13, 1970;

31 (22) Manufacturing machinery and equipment acquired or used by a manufacturer after  
32 December 31, 1974. Manufacturing machinery and equipment is defined as:

33 (i) Machinery and equipment used exclusively in the actual manufacture or conversion of  
34 raw materials or goods in the process of manufacture by a manufacturer, as defined in subdivision

1 (20), and machinery, fixtures, and equipment used exclusively by a manufacturer for research and  
2 development or for quality assurance of its manufactured products;

3 (ii) Machinery and equipment that is partially used in the actual manufacture or conversion  
4 of raw materials or goods in process of manufacture by a manufacturer, as defined in subdivision  
5 (20), and machinery, fixtures, and equipment used by a manufacturer for research and development  
6 or for quality assurance of its manufactured products, to the extent to which the machinery and  
7 equipment is used for the manufacturing processes, research and development, or quality assurance.  
8 In the instances where machinery and equipment is used in both manufacturing and/or research and  
9 development and/or quality assurance activities and non-manufacturing activities, the assessment  
10 on machinery and equipment is prorated by applying the percentage of usage of the equipment for  
11 the manufacturing, research and development, and quality-assurance activity to the value of the  
12 machinery and equipment for purposes of taxation, and the portion of the value used for  
13 manufacturing, research and development, and quality assurance is exempt from taxation. The  
14 burden of demonstrating this percentage usage of machinery and equipment for manufacturing and  
15 for research and development and/or quality assurance of its manufactured products rests with the  
16 manufacturer; and

17 (iii) Machinery and equipment described in §§ 44-18-30(7) and 44-18-30(22) that was  
18 purchased after July 1, 1997; provided that the city or town council of the city or town in which the  
19 machinery and equipment is located adopts an ordinance exempting the machinery and equipment  
20 from taxation. For purposes of this subsection, city councils and town councils of any municipality  
21 may, by ordinance, wholly or partially exempt from taxation the machinery and equipment  
22 discussed in this subsection for the period of time established in the ordinance and may, by  
23 ordinance, establish the procedures for taxpayers to avail themselves of the benefit of any  
24 exemption permitted under this section; provided, that the ordinance does not apply to any  
25 machinery or equipment of a business, subsidiary, or any affiliated business that locates or relocates  
26 from a city or town in this state to another city or town in the state;

27 (23) Precious metal bullion, meaning any elementary metal that has been put through a  
28 process of melting or refining, and that is in a state or condition that its value depends upon its  
29 content and not its form. The term does not include fabricated precious metal that has been  
30 processed or manufactured for some one or more specific and customary industrial, professional,  
31 or artistic uses;

32 (24) Hydroelectric power-generation equipment, which includes, but is not limited to,  
33 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,  
34 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The

1 hydroelectric power-generation equipment must have been purchased after July 1, 1979, and  
2 acquired or used by a person or corporation who or that owns or leases a dam and utilizes the  
3 equipment to generate hydroelectric power;

4 (25) Subject to authorization by formal action of the council of any city or town, any real  
5 or personal property owned by, held in trust for, or leased to an organization incorporated under  
6 chapter 6 of title 7, as amended, or an organization meeting the definition of “charitable trust” set  
7 out in § 18-9-4, as amended, or an organization incorporated under the not-for-profits statutes of  
8 another state or the District of Columbia, the purpose of which is the conserving of open space, as  
9 that term is defined in chapter 36 of title 45, as amended, provided the property is used exclusively  
10 for the purposes of the organization;

11 (26) Tangible personal property, the primary function of which is the recycling, reuse, or  
12 recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and (iii)), from,  
13 or the treatment of “hazardous wastes,” as defined in § 23-19.1-4, where the “hazardous wastes”  
14 are generated primarily by the same taxpayer and where the personal property is located at, in, or  
15 adjacent to a generating facility of the taxpayer. The taxpayer may, but need not, procure an order  
16 from the director of the department of environmental management certifying that the tangible  
17 personal property has this function, which order effects a conclusive presumption that the tangible  
18 personal property qualifies for the exemption under this subdivision. If any information relating to  
19 secret processes or methods of manufacture, production, or treatment is disclosed to the department  
20 of environmental management only to procure an order, and is a “trade secret” as defined in § 28-  
21 21-10(b), it shall not be open to public inspection or publicly disclosed unless disclosure is  
22 otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23;

23 (27) Motorboats as defined in § 46-22-2 for which the annual fee required in § 46-22-4 has  
24 been paid;

25 (28) Real and personal property of the Providence Performing Arts Center, a non-business  
26 corporation as of December 31, 1986;

27 (29) Tangible personal property owned by, and used exclusively for the purposes of, any  
28 religious organization located in the city of Cranston;

29 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a nonprofit  
30 corporation, the Union Mall Real Estate Corporation, and any limited partnership or limited liability  
31 company that is formed in connection with, or to facilitate the acquisition of, the Providence YMCA  
32 Building;

33 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-  
34 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited

1 liability company that is formed in connection with, or to facilitate the acquisition of, the properties  
2 designated as the Meeting Street National Center of Excellence on Eddy Street in Providence,  
3 Rhode Island;

4 (32) The buildings, personal property, and land upon which the buildings stand, located on  
5 Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel  
6 001.00, that consists of approximately twenty-one thousand three hundred (21,300) square feet and  
7 is located approximately eight hundred sixty feet (860'), more or less, from the shore, and limited  
8 exclusively to these said buildings, personal estate and land, provided that said property is owned  
9 by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is used  
10 exclusively for a lighthouse;

11 (33) The Stadium Theatre Performing Arts Centre building located in Monument Square,  
12 Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Center is owned by  
13 the Stadium Theatre Foundation, a Rhode Island nonprofit corporation;

14 (34) Real and tangible personal property of St. Mary Academy — Bay View, located in  
15 East Providence, Rhode Island;

16 (35) Real and personal property of East Bay Community Action Program and its  
17 predecessor, Self Help, Inc; provided, that the organization is qualified as a tax-exempt corporation  
18 under § 501(c)(3) of the United States Internal Revenue Code;

19 (36) Real and personal property located within the city of East Providence of the Columbus  
20 Club of East Providence, a Rhode Island charitable nonprofit corporation;

21 (37) Real and personal property located within the city of East Providence of the Columbus  
22 Club of Barrington, a Rhode Island charitable nonprofit corporation;

23 (38) Real and personal property located within the city of East Providence of Lodge 2337  
24 BPO Elks, a Rhode Island nonprofit corporation;

25 (39) Real and personal property located within the city of East Providence of the St.  
26 Andrews Lodge No. 39, a Rhode Island charitable nonprofit corporation;

27 (40) Real and personal property located within the city of East Providence of the Trustees  
28 of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode Island  
29 nonprofit corporation;

30 (41) Real and personal property located on the first floor of 90 Leonard Avenue within the  
31 city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit corporation;

32 (42) Real and personal property located within the city of East Providence of the Cape  
33 Verdean Museum Exhibit, a Rhode Island nonprofit corporation;

34 (43) The real and personal property owned by a qualified 501(c)(3) organization that is

1 affiliated and in good standing with a national, congressionally chartered organization and thereby  
2 adheres to that organization's standards and provides activities designed for recreational,  
3 educational, and character building purposes for children from ages six (6) years to seventeen (17)  
4 years;

5 (44) Real and personal property of the Rhode Island Philharmonic Orchestra and Music  
6 School; provided, that the organization is qualified as a tax-exempt corporation under § 501(c)(3)  
7 of the United States Internal Revenue Code;

8 (45) The real and personal property located within the town of West Warwick at 211  
9 Cowesett Avenue, Plat 29-Lot 25, which consists of approximately twenty-eight thousand seven  
10 hundred fifty (28,750) square feet and is owned by the Station Fire Memorial Foundation of East  
11 Greenwich, a Rhode Island nonprofit corporation;

12 (46) Real and personal property of the Comprehensive Community Action Program, a  
13 qualified tax-exempt corporation under § 501(c)(3) of the United States Internal Revenue Code;

14 (47) Real and personal property located at 52 Plain Street, within the city of Pawtucket of  
15 the Pawtucket Youth Soccer Association, a Rhode Island nonprofit corporation;

16 (48) Renewable energy resources, as defined in § 39-26-5, used in residential systems and  
17 associated equipment used therewith in service after December 31, 2015;

18 (49) Renewable energy resources, as defined in § 39-26-5, if employed by a manufacturer,  
19 as defined in subsection (a) of this section, shall be exempt from taxation in accordance with  
20 subsection (a) of this section;

21 (50) Real and personal property located at 415 Tower Hill Road within the town of North  
22 Kingstown, of South County Community Action, Inc., a qualified tax-exempt corporation under §  
23 501(c)(3) of the United States Internal Revenue Code;

24 (51) As an effort to promote business growth, tangible business or personal property, in  
25 whole or in part, within the town of Charlestown's community limits, subject to authorization by  
26 formal action of the town council of the town of Charlestown;

27 (52) All real and personal property located at 1300 Frenchtown Road, within the town of  
28 East Greenwich, identified as assessor's map 027, plat 019, lot 071, and known as the New England  
29 Wireless and Steam Museum, Inc., a qualified tax-exempt corporation under § 501(c)(3) of the  
30 United States Internal Revenue Code;

31 (53) Real and tangible personal property of Mount Saint Charles Academy located within  
32 the city of Woonsocket, specifically identified as the following assessor's plats and lots: Logee  
33 Street, plat 23, lot 62, Logee Street, plat 24, lots 304 and 305; Welles Street, plat 23, lot 310;  
34 Monroe Street, plat 23, lot 312; and Roberge Avenue, plat 24, lot 47;

1           (54) Real and tangible personal property of Steere House, a Rhode Island nonprofit  
2 corporation, located in Providence, Rhode Island;

3           (55) Real and personal property located within the town of West Warwick of Tides Family  
4 Services, Inc., a Rhode Island nonprofit corporation;

5           (56) Real and personal property of Tides Family Services, Inc., a Rhode Island nonprofit  
6 corporation, located in the city of Pawtucket at 242 Dexter Street, plat 44, lot 444;

7           (57) Real and personal property located within the town of Middletown of Lucy’s Hearth,  
8 a Rhode Island nonprofit corporation;

9           (58) Real and tangible personal property of Habitat for Humanity of Rhode Island—  
10 Greater Providence, Inc., a Rhode Island nonprofit corporation, located in Providence, Rhode  
11 Island;

12           (59) Real and personal property of the Artic Playhouse, a Rhode Island nonprofit  
13 corporation, located in the town of West Warwick at 1249 Main Street;

14           (60) Real and personal property located at 321 Main Street, within the town of South  
15 Kingstown, of the Contemporary Theatre Company, a qualified, tax-exempt corporation under §  
16 501(c)(3) of the United States Internal Revenue Code;

17           (61) Real and personal property of The Samaritans, Inc., a Rhode Island nonprofit §  
18 501(c)(3) corporation located at 67 Park Place, Pawtucket, Rhode Island, to the extent the city  
19 council of Pawtucket may from time to time determine;

20           (62) Real and personal property of North Kingstown, Exeter Animal Protection League,  
21 Inc., dba “Pet Refuge,” 500 Stony Lane, a Rhode Island nonprofit corporation, located in North  
22 Kingstown, Rhode Island;

23           (63) Real and personal property located within the city of East Providence of Foster  
24 Forward (formerly the Rhode Island Foster Parents Association), a Rhode Island charitable  
25 nonprofit corporation;

26           (64) Real and personal property located at 54 Kelly Avenue within the town of East  
27 Providence, of the Associated Radio Amateurs of Southern New England, a Rhode Island nonprofit  
28 corporation;

29           (65) Real and tangible personal property of Providence Country Day School, a Rhode  
30 Island nonprofit corporation, located in East Providence, Rhode Island and further identified as plat  
31 406, block 6, lot 6, and plat 506, block 1, lot 8;

32           (66) As an effort to promote business growth, tangible business or personal property, in  
33 whole or in part, within the town of Bristol’s community limits, subject to authorization by formal  
34 action of the town council of the town of Bristol;

1           (67) Real and tangible personal property of the Heritage Harbor Foundation, a Rhode  
2 Island nonprofit corporation, located at 1445 Wampanoag Trail, Suites 103 and 201, within the city  
3 of East Providence;

4           (68) Real property of Ocean State Community Wellness, Inc., a qualified tax-exempt  
5 corporation under § 501(c)(3) of the United States Internal Revenue Code, located in North  
6 Kingstown, Rhode Island, with a physical address of 7450 Post Road, and further identified as plat  
7 108, lot 83;

8           (69) Real and tangible personal property of St. John Baptist De La Salle Institute, d/b/a La  
9 Salle Academy, a Rhode Island domestic nonprofit corporation, located in Providence, Rhode  
10 Island denominated at the time this subsection was adopted as Plat 83 Lot 276 by the tax assessor  
11 for the city of Providence comprising approximately 26.08 acres of land along with all buildings  
12 and improvements that have been or may be made;

13           (70) Real and tangible personal property of The Providence Community Health Centers,  
14 Inc., a Rhode Island domestic nonprofit corporation, located in Providence, Rhode Island;

15           (71) In the city of Central Falls and the city of Pawtucket, real property and tangible  
16 personal property located on or in the premise acquired or leased by a railroad entity and for the  
17 purpose of providing boarding and disembarking of railroad passengers and the supporting  
18 passenger railroad operations and services. For the purpose of this section, a railroad entity shall be  
19 any incorporated entity that has been duly authorized by the Rhode Island public utilities  
20 commission to provide passenger railroad services;

21           (72) Real and tangible personal property of the American Legion Riverside Post Holding  
22 Company, d/b/a American Legion Post 10, a Rhode Island nonprofit corporation, located at 830  
23 Willet Avenue, within the city of East Providence on Map 513, Block 27, Parcel 001.00 as long as  
24 said property is owned by American Legion Post 10;

25           (73) Real and tangible personal property of the Holy Rosary Band Society, a Rhode Island  
26 nonprofit corporation, located at 328 Taunton Avenue, within the city of East Providence on Map  
27 306, Block 01, Parcel 012.00;

28           (74) Real and tangible personal property of Foster Forward, a Rhode Island domestic  
29 nonprofit corporation, located within the city of Pawtucket, at 16 North Bend Street, and further  
30 identified as assessor's plat 21, lot 312;

31           (75) Real and tangible personal property of the Old and Ancient Rowers Society of Rhode  
32 Island, a Rhode Island domestic nonprofit corporation, located at 166 Walmsley Lane, within the  
33 town of North Kingstown on Plat 004/Lot 019;

34           (76) Real and tangible personal property of the Rhode Island Public Health Foundation, a

1 domestic nonprofit corporation or any other entity formed by the Rhode Island Public Health  
2 Foundation in connection with, or to facilitate the acquisition of, one property to be owned by the  
3 Rhode Island Public Health Foundation or such entity, located in the city of Providence;

4 (77) Real and tangible personal property of the Manissean Tribal Council, a Rhode Island  
5 nonprofit corporation, located in the town of New Shoreham, Rhode Island;

6 (78) Real and tangible personal property of Sophia Academy located at 582 Elmwood  
7 Avenue, the San Miguel Education Center located at 525 Branch Avenue, and the Community  
8 Preparatory School, Inc. located at 135 Prairie Avenue, all of which are domestic nonprofit  
9 corporations, and all of which are located within the city of Providence;

10 (79) Real and tangible personal property of Cape Verdean Museum Exhibit, a Rhode Island  
11 domestic nonprofit corporation, located at 617 Prospect Street, within the city of Pawtucket on  
12 Assessors' Plat 37, Lot 434;

13 (80) Real and tangible personal property of Sojourner House, a Rhode Island nonprofit  
14 corporation, located in the city of Providence, at 386 Smith Street, further identified as Assessor's  
15 Plat 67, Lot 46, and 1570 Westminster Street, further identified as Assessor's Plat 35, Lot 200;

16 (81) Real and tangible personal property of the Little Flower Home, a Rhode Island  
17 domestic nonprofit corporation, located at 304 Hooper Street, within the Town of Tiverton on Map  
18 102, Lot 196; provided that, the organization remains a federal 501(c)(3) tax-exempt corporation  
19 and a domestic nonprofit charitable corporation;

20 (82) Real and tangible personal property of the Brain Injury Association of Rhode Island,  
21 Inc., a nonprofit corporation, located at 1017 Waterman Avenue within the city of East Providence  
22 on tax assessor's map 607, Block 11, Parcel 4;

23 (83) Real and tangible personal property of the Johnnycake Center Realty Corporation, a  
24 Rhode Island nonprofit corporation, located in the town of South Kingstown, and further identified  
25 as 12 Green Street, Assessor's Map 49-1, Lot 148, 44 Kersey Road, further identified as Assessor's  
26 Map 49-1, Lot 136, 54 Kersey Road, further identified as Assessor's Map 49-1, Lot 137, and 1004  
27 Kingstown Road, further identified as Assessor's Map 49-4, Lot 124;

28 (84) Real and tangible personal property of the Little Compton Game Club, a Rhode Island  
29 domestic nonprofit corporation, located at 83 John Dyer Road and 88 John Dyer Road, within the  
30 town of Little Compton on Assessor's Plat 44 Lots 4 and 5;

31 (85) Real and tangible personal property of Wildlife Rehabilitators Association of Rhode  
32 Island (Wildlife Clinic of Rhode Island), a Rhode Island domestic nonprofit corporation, located at  
33 2865 Tower Hill Road, within the town of North Kingstown on Assessor's Map Plat 5, Lot 1;

34 (86) Non-commercial real and tangible personal property of Southside Community Land

1 Trust, a Rhode Island domestic nonprofit corporation, located in the city of Providence, at 404  
2 Broad Street, further identified as Assessor's Plat 23, Lot 753;

3 (87) Tangible personal property of Northwest Community Health Care d/b/a WellOne  
4 Primary Medical and Dental Care, a Rhode Island domestic nonprofit corporation, located in the  
5 town of North Scituate at 35 Village Plaza Way, and further identified as Plat 38, Lot 72;

6 (88) Real and tangible personal property of Friends of Little Compton Wellness Center,  
7 Inc., a domestic nonprofit corporation located at 115 East Main Road, within the town of Little  
8 Compton, on Assessor's Plat 28, Lot 45;

9 (89) Real and tangible personal property of PROJECT Weber/RENEW, a Rhode Island  
10 domestic nonprofit corporation; provided that, it is qualified as a tax-exempt corporation pursuant  
11 to 26 U.S.C. 501(c)(3) of the Internal Revenue Code;

12 (90) Real and tangible personal property of Codac, Inc., a Rhode Island domestic nonprofit  
13 corporation, located in the city of Providence, Rhode Island, at 45 Royal Little Drive, further  
14 identified as Assessor's Plat 74, Lot 402;

15 (91) Real and tangible personal property of the Center for Southeast Asians, a Rhode Island  
16 domestic nonprofit corporation, located in the city of Providence, at 105 Glenham Street, further  
17 identified as Assessor's Plat 45, Lot 668, 270 Elmwood Avenue, further identified as Assessor's  
18 Plat 44, Lot 388 and 126 Princeton Avenue, further identified as Assessor's Plat 44, Lot 723;

19 (92) Real and tangible personal property of the Rhode Island Business Development  
20 Institute, a domestic nonprofit corporation, located at 220 Smith Street within the city of Providence  
21 on the assessor's map as Plat 67, Lot 100;

22 (93) Real and tangible personal property of the Providence Preservation Society, a Rhode  
23 Island domestic nonprofit corporation, located at 24 Meeting Street, within the city of Providence  
24 on Tax Assessor's Map, Plat 10, Lot 75; ~~and~~

25 (94) Real and tangible personal property of the Pokanoket Management Group, a Rhode  
26 Island nonprofit corporation, trustee of the Pokanoket Tribe Land Trust, located in the town of  
27 Bristol, Rhode Island, and used directly to cultivate, preserve and protect the natural, cultural,  
28 traditional and historical resources, watersheds, habitats, ecosystems and archaeological sites of  
29 and within the ancestral territory of the Pokanoket people; and

30 (95)(i) Real and tangible personal property of urban farmers and urban farmland, including  
31 one building per lot if the building meets all of the following conditions: (A) The building is  
32 occupied by one or more urban farmers who are engaged in agricultural operations as defined  
33 herein; (B) The building is used to house agricultural activities including, but not limited to, seed  
34 starting, storage of agricultural materials and processing of agricultural products; (C) The building

1 size is no greater than two thousand five hundred square feet (2,500 sq. ft).

2 (ii) For the sole purposes of this subsection:

3 (A) “Actively devoted to agricultural or horticultural use” means land used, under normally  
4 acceptable practices, in the production of plants and animals useful to people including, but not  
5 limited to: forages and sod; fruits of all kinds including nuts, berries, grapes and vegetables; floral,  
6 ornamental and greenhouse products; the growing of Christmas trees; dairy animals and dairy  
7 products; poultry and poultry products; sheep and sheep products; beekeeping; livestock including  
8 beef cattle, swine, horses and mules; stabling of horses; the commercial breeding or grazing of any  
9 or all such animals for the production of meat, milk, fiber in saleable livestock; and the production  
10 of fish, shellfish, plant material and fish products through aquacultural practices.

11 (B) “Agricultural operations” means any commercial enterprise or community garden  
12 enterprise which has as its primary purpose horticulture, viticulture, viniculture, floriculture,  
13 forestry, composting, stabling of horses, dairy farming, aquaculture, raising of livestock, furbearing  
14 animals, poultry, or bees.

15 (C) “Under normally acceptable practices” means management of the urban farmland using  
16 cultivation and husbandry techniques including, but not limited to, techniques for the proper animal  
17 and plant densities and spacing, harvesting techniques, irrigation techniques, soil conditioning and  
18 preservation techniques, erosion control practices, waste disposal techniques, cover crops, and  
19 rotation cycles recommended by the university of Rhode Island, U.S. Department of Agriculture,  
20 recognized producers organizations and seed and implement manufacturers for Rhode Island soils  
21 and practices approved by the department of environmental management agricultural advisory  
22 committee.

23 (D) “Urban area” means any municipality that is incorporated as a city or has a population  
24 density greater than three thousand (3,000) residents per square mile as of the most recently  
25 published U.S. Census.

26 (E) “Urban farmer” means the principal person engaged in agricultural operations on urban  
27 farmland as indicated for income tax purposes by filing an IRS Schedule F or equivalent.

28 (F) “Urban farmland” means land that is actively devoted to agricultural or horticultural  
29 use in an urban area in which an urban farmer is the principal operator of the agricultural operations  
30 on such land.

31 (iii) The department of environmental management shall provide to the local assessors any  
32 assistance that is necessary in determining the proper application of the definitions in this  
33 subsection, at the request of either the local assessor or a property owner.

34 (iv) Land use change tax:

1           (A) Pursuant to § 44-5-39, real property of urban farmers that has been exempt from  
2 taxation pursuant to this subsection, for fewer than fifteen (15) years, and the real property is no  
3 longer urban farmland as defined in this section, municipalities may assess additional taxes payable  
4 by the then current owner, at such time of the land use change, on such real property, in an amount  
5 not to exceed:

6           (I) Ten percent (10%) of the then fair market value of the land if the use is changed during  
7 the first six (6) years of classification.

8           (II) Nine percent (9%) of the then fair market value of the land if the use is changed during  
9 the seventh year of classification.

10           (III) Eight percent (8%) of the then fair market value of the land if the use is changed during  
11 the eighth year of classification.

12           (IV) Seven percent (7%) of the then fair market value of the land if the use is changed  
13 during the ninth year of classification.

14           (V) Six percent (6%) of the then fair market value of the land if the use is changed during  
15 the tenth year of classification.

16           (VI) Five percent (5%) of the then fair market value of the land if the use is changed during  
17 the eleventh year of classification.

18           (VII) Four percent (4%) of the then fair market value of the land if the use is changed  
19 during the twelfth year of classification.

20           (VIII) Three percent (3%) of the then fair market value of the land if the use is changed  
21 during the thirteenth year of classification.

22           (IX) Two percent (2%) of the then fair market value of the land if the use is changed during  
23 the fourteenth year of classification.

24           (X) One percent (1%) of the then fair market value of the land if the use is changed during  
25 the fifteenth year of classification.

26           (XI) No additional tax shall be imposed following the end of the fifteenth year of  
27 classification.

28           (96) Real and tangible personal property of small farmers and small farmland.

29           (i) For the sole purposes of this subsection:

30           (A) “Actively devoted to agricultural or horticultural use” means land used, under normally  
31 acceptable practices, in the production of plants and animals useful to people, including, but not  
32 limited to: forages and sod; fruits of all kinds including nuts, berries, grapes and vegetables; floral,  
33 ornamental and greenhouse products, the growing of Christmas trees; dairy animals and dairy  
34 products; poultry and poultry products; sheep and sheep products; beekeeping; livestock including

1 beef cattle, swine, horses and mules; the stabling of horses; commercial breeding or grazing of any  
2 or all such animals for the production of meat, milk, fiber in saleable livestock; and the production  
3 of fish, shellfish, plant material and fish products through aquacultural practices.

4 (B) "Agricultural operations" means any commercial enterprise or community garden  
5 enterprise which has as its primary purpose horticulture, viticulture, viniculture, floriculture,  
6 forestry, composting, stabling of horses, dairy farming, or aquaculture, or the raising of livestock,  
7 furbearing animals, poultry, or bees.

8 (C) "Small farmer" means the principal person engaged in agricultural operations on fewer  
9 than five (5) acres of land actively devoted to agricultural or horticultural use as indicated for  
10 income tax purposes by filing an IRS Schedule F or equivalent.

11 (D) "Small farmland" means land totaling fewer than five (5) acres actively devoted to  
12 agricultural or horticultural use in which a small farmer is the principal operator of the agricultural  
13 operations on such land.

14 (E) "Under normally acceptable practices" means management of the small farmland using  
15 cultivation and husbandry techniques, including, but not limited to, techniques for the proper  
16 animal and plant densities and spacing, harvesting techniques, irrigation techniques, soil  
17 conditioning and preservation techniques, erosion control practices, waste disposal techniques,  
18 cover crops, and rotation cycles recommended by the university of Rhode Island, U.S. Department  
19 of Agriculture, recognized producers organizations and seed and implement manufacturers for  
20 Rhode Island soils and practices approved by the department of environmental management  
21 agricultural advisory committee.

22 (i) The department of environmental management shall provide to the local assessors any  
23 assistance that is necessary in determining the proper application of the definitions in this  
24 subsection, at the request of either the local assessor or a property owner.

25 (iii) Land use change tax:

26 (A) Pursuant to § 44-5-39, real property of small farmers that has been exempt from  
27 taxation pursuant to this subsection for fewer than fifteen (15) years, and the real property is no  
28 longer small farmland as defined in this section, municipalities may assess additional taxes payable  
29 by the then current owner on such real property in an amount not to exceed:

30 (I) Ten percent (10%) of the then fair market value of the land if the use is changed during  
31 the first six (6) years of classification.

32 (II) Nine percent (9%) of the then fair market value of the land if the use is changed during  
33 the seventh year of classification.

34 (III) Eight percent (8%) of the then fair market value of the land if the use is changed during

1 the eighth year of classification.

2 (IV) Seven percent (7%) of the then fair market value of the land if the use is changed  
3 during the ninth year of classification.

4 (V) Six percent (6%) of the then fair market value of the land if the use is changed during  
5 the tenth year of classification.

6 (VI) Five percent (5%) of the then fair market value of the land if the use is changed during  
7 the eleventh year of classification.

8 (VII) Four percent (4%) of the then fair market value of the land if the use is changed  
9 during the twelfth year of classification.

10 (VIII) Three percent (3%) of the then fair market value of the land if the use is changed  
11 during the thirteenth year of classification.

12 (IX) Two percent (2%) of the then fair market value of the land if the use is changed during  
13 the fourteenth year of classification.

14 (X) One percent (1%) of the then fair market value of the land if the use is changed during  
15 the fifteenth year of classification.

16 (XI) No additional tax shall be imposed following the end of the fifteenth year of  
17 classification.

18 (b) Except as provided below, when a city or town taxes a for-profit hospital facility, the  
19 value of its real property shall be the value determined by the most recent full revaluation or  
20 statistical property update performed by the city or town; provided, however, in the year a nonprofit  
21 hospital facility converts to or otherwise becomes a for-profit hospital facility, or a for-profit  
22 hospital facility is initially established, the value of the real property and personal property of the  
23 for-profit hospital facility shall be determined by a valuation performed by the assessor for the  
24 purpose of determining an initial assessed value of real and personal property, not previously taxed  
25 by the city or town, as of the most recent date of assessment pursuant to § 44-5-1, subject to a right  
26 of appeal by the for-profit hospital facility which shall be made to the city or town tax assessor with  
27 a direct appeal from an adverse decision to the Rhode Island superior court business calendar.

28 A “for-profit hospital facility” includes all real and personal property affiliated with any  
29 hospital as identified in an application filed pursuant to chapter 17 or 17.14 of title 23.  
30 Notwithstanding the above, a city or town may enter into a stabilization agreement with a for-profit  
31 hospital facility under § 44-3-9 or other laws specific to the particular city or town relating to  
32 stabilization agreements. In a year in which a nonprofit hospital facility converts to, or otherwise  
33 becomes, a for-profit hospital facility, or a for-profit hospital facility is otherwise established, in  
34 that year only the amount levied by the city or town and/or the amount payable under the

1 stabilization agreement for that year related to the for-profit hospital facility shall not be counted  
2 towards determining the maximum tax levy permitted under § 44-5-2.

3 (c) Notwithstanding any other provision of law to the contrary, in an effort to provide relief  
4 for businesses, including small businesses, and to promote economic development, a city, town, or  
5 fire district may establish an exemption for tangible personal property within its geographic limits  
6 by formal action of the appropriate governing body within the city, town, or fire district, which  
7 exemptions shall be uniformly applied and in compliance with local tax classification requirements.  
8 Exemptions established pursuant to this subsection shall conform to the requirements of § 44-5-  
9 12.2.

10 SECTION 2. Section 44-11-11 of the General Laws in Chapter 44-11 entitled "Business  
11 Corporation Tax" is hereby amended to read as follows:

12 **44-11-11. "Net income" defined.**

13 (a)(1) "Net income" means, for any taxable year and for any corporate taxpayer, the taxable  
14 income of the taxpayer for that taxable year under the laws of the United States, plus:

15 (i) Any interest not included in the taxable income;

16 (ii) Any specific exemptions;

17 (iii) The tax imposed by this chapter;

18 (iv) For any taxable year beginning on or after January 1, 2020, the amount of any Paycheck  
19 Protection Program loan forgiven for federal income tax purposes as authorized by the Coronavirus  
20 Aid, Relief, and Economic Security Act and/or the Consolidated Appropriations Act, 2021 and/or  
21 any other subsequent federal stimulus relief packages enacted by law, to the extent that the amount  
22 of the loan forgiven exceeds \$250,000; and minus:

23 (v) Interest on obligations of the United States or its possessions, and other interest exempt  
24 from taxation by this state;

25 (vi) The federal net operating loss deduction;

26 (vii) For any taxable year beginning on or after January 1, 2025, in the case of a taxpayer  
27 that is licensed in accordance with chapters 28.6 and/or 28.11 of title 21, the amount equal to any  
28 expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed under  
29 26 U.S.C. § 280E; ~~and~~

30 (viii) For the taxable year beginning on or before January 1, 2025, the amount of any  
31 income, deduction, or allowance that would be subject to federal income tax but for the  
32 Congressional enactment of the One Big Beautiful Bill Act or any other similar Congressional  
33 enactment. The enactment of the One Big Beautiful Bill Act or any other similar Congressional  
34 enactment and any Internal Revenue Service changes to forms, regulations, and/or processing

1 which go into effect during the current tax year or within six (6) months of the beginning of the  
2 next tax year shall be deemed grounds for the promulgation of emergency rules and regulations  
3 under § 42-35-2.10 to effectuate the purpose of preserving the Rhode Island tax base under Rhode  
4 Island law with respect to the One Big Beautiful Bill Act or any other similar Congressional  
5 enactment; and

6 (ix) Income from the production of food by urban farmers and small farmers.

7 (A) For the sole purpose of this subsection:

8 (I) “Actively devoted to agricultural or horticultural use” means land used, under normally  
9 acceptable practices, in the production of plants and animals useful to people including, but not  
10 limited to: forages and sod; fruits of all kinds including nuts, berries, grapes and vegetables; floral,  
11 ornamental and greenhouse products; the growing of Christmas trees; dairy animals and dairy  
12 products; poultry and poultry products; sheep and sheep products; beekeeping; livestock including  
13 beef cattle, swine, horses and mules; stabling of horses; the commercial breeding or grazing of any  
14 or all such animals for the production of meat, milk, fiber in saleable livestock; and the production  
15 of fish, shellfish, plant material and fish products through aquacultural practices.

16 (II) “Agricultural operations” means any commercial enterprise or community garden  
17 enterprise which has as its primary purpose horticulture, viticulture, viniculture, floriculture,  
18 forestry, composting, stabling of horses, dairy farming, aquaculture, raising of livestock, furbearing  
19 animals, poultry, or bees.

20 (III) “Small farmer” means the principal person engaged in agricultural operations on fewer  
21 than five (5) acres of land actively devoted to agricultural or horticultural use as indicated for  
22 income tax purposes by filing an IRS Schedule F or equivalent.

23 (IV) “Under normally acceptable practices” means management of the urban farmland  
24 using cultivation and husbandry techniques including, but not limited to, techniques for the proper  
25 animal and plant densities and spacing, harvesting techniques, irrigation techniques, soil  
26 conditioning and preservation techniques, erosion control practices, waste disposal techniques,  
27 cover crops, and rotation cycles recommended by the university of Rhode Island, U.S. Department  
28 of Agriculture, recognized producers organizations and seed and implement manufacturers for  
29 Rhode Island soils and practices approved by the department of environmental management  
30 agricultural advisory committee.

31 (V) “Urban area” means any municipality that is incorporated as a city or has a population  
32 density greater than three thousand (3,000) residents per square mile as of the most recently  
33 published U.S. Census.

34 (VI) “Urban farmer” means the principal person engaged in agricultural operations on

1 [urban farmland as indicated for income tax purposes by filing an IRS Schedule F or equivalent.](#)

2 [\(VII\) “Urban farmland” means land that is actively devoted to agricultural or horticultural](#)  
3 [use in an urban area in which an urban farmer is the principal operator of the agricultural operations](#)  
4 [on such land.](#)

5 (2) All binding federal elections made by or on behalf of the taxpayer applicable either  
6 directly or indirectly to the determination of taxable income shall be binding on the taxpayer except  
7 where this chapter or its attendant regulations specifically modify or provide otherwise. Rhode  
8 Island taxable income shall not include the “gross-up of dividends” required by the federal Internal  
9 Revenue Code to be taken into taxable income in connection with the taxpayer’s election of the  
10 foreign tax credit.

11 (b) A net operating loss deduction shall be allowed, which shall be the same as the net  
12 operating loss deduction allowed under 26 U.S.C. § 172, except that:

13 (1) Any net operating loss included in determining the deduction shall be adjusted to reflect  
14 the inclusions and exclusions from entire net income required by subsection (a) of this section and  
15 § 44-11-11.1;

16 (2) The deduction shall not include any net operating loss sustained during any taxable year  
17 in which the taxpayer was not subject to the tax imposed by this chapter; and

18 (3) Limitation on 26 U.S.C. § 172 deduction.

19 (i) The deduction shall not exceed the deduction for the taxable year allowable under 26  
20 U.S.C. § 172; provided, that the deduction for a taxable year may not be carried back to any other  
21 taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for the  
22 five (5) succeeding taxable years; and

23 (ii) For any taxable year beginning on or after January 1, 2025, the deduction shall not  
24 exceed the deduction for the taxable year allowable under 26 U.S.C. § 172; provided that, the  
25 deduction for a taxable year may not be carried back to any other taxable year for Rhode Island  
26 purposes, but shall only be allowable on a carry forward basis for the twenty (20) succeeding  
27 taxable years.

28 (c) “Domestic international sales corporations” (referred to as DISCs), for the purposes of  
29 this chapter, will be treated as they are under federal income tax law and shall not pay the amount  
30 of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in  
31 the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

32 (d) A corporation that qualifies as a “foreign sales corporation” (FSC) under the provisions  
33 of subchapter N, 26 U.S.C. § 861 et seq., and that has in effect for the entire taxable year a valid  
34 election under federal law to be treated as a FSC, shall not pay the amount of the tax computed

1 under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same manner as it  
2 is treated under federal income tax law as it exists on January 1, 1985.

3 (e) For purposes of a corporation's state tax liability, any deduction to income allowable  
4 under 26 U.S.C. § 1400Z-2(c) may be claimed in the case of any investment held by the taxpayer  
5 for at least seven years. The division of taxation shall promulgate, in its discretion, rules and  
6 regulations relative to the accelerated application of deductions under 26 U.S.C. § 1400Z-2(c).

7 SECTION 3. Section 44-18-30 of the General Laws in Chapter 44-18 entitled "Sales and  
8 Use Taxes — Liability and Computation" is hereby amended to read as follows:

9 **44-18-30. Gross receipts exempt from sales and use taxes.**

10 There are exempted from the taxes imposed by this chapter the following gross receipts:

11 (1) Sales and uses beyond constitutional power of state. From the sale and from the storage,  
12 use, or other consumption in this state of tangible personal property the gross receipts from the sale  
13 of which, or the storage, use, or other consumption of which, this state is prohibited from taxing  
14 under the Constitution of the United States or under the constitution of this state.

15 (2) Newspapers.

16 (i) From the sale and from the storage, use, or other consumption in this state of any  
17 newspaper.

18 (ii) "Newspaper" means an unbound publication printed on newsprint that contains news,  
19 editorial comment, opinions, features, advertising matter, and other matters of public interest.

20 (iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or  
21 similar item unless the item is printed for, and distributed as, a part of a newspaper.

22 (3) School meals. From the sale and from the storage, use, or other consumption in this  
23 state of meals served by public, private, or parochial schools, school districts, colleges, universities,  
24 student organizations, and parent-teacher associations to the students or teachers of a school,  
25 college, or university whether the meals are served by the educational institutions or by a food  
26 service or management entity under contract to the educational institutions.

27 (4) Containers.

28 (i) From the sale and from the storage, use, or other consumption in this state of:

29 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials that  
30 are biodegradable and all bags and wrapping materials utilized in the medical and healing arts,  
31 when sold without the contents to persons who place the contents in the container and sell the  
32 contents with the container.

33 (B) Containers when sold with the contents if the sale price of the contents is not required  
34 to be included in the measure of the taxes imposed by this chapter.

1 (C) Returnable containers when sold with the contents in connection with a retail sale of  
2 the contents or when resold for refilling.

3 (D) Keg and barrel containers, whether returnable or not, when sold to alcoholic beverage  
4 producers who place the alcoholic beverages in the containers.

5 (ii) As used in this subdivision, the term “returnable containers” means containers of a kind  
6 customarily returned by the buyer of the contents for reuse. All other containers are “non-returnable  
7 containers.”

8 (5)(i) Charitable, educational, and religious organizations. From the sale to, as in defined  
9 in this section, and from the storage, use, and other consumption in this state, or any other state of  
10 the United States of America, of tangible personal property by hospitals not operated for a profit;  
11 “educational institutions” as defined in subdivision (18) not operated for a profit; churches,  
12 orphanages, and other institutions or organizations operated exclusively for religious or charitable  
13 purposes; interest-free loan associations not operated for profit; nonprofit, organized sporting  
14 leagues and associations and bands for boys and girls under the age of nineteen (19) years; the  
15 following vocational student organizations that are state chapters of national vocational student  
16 organizations: Distributive Education Clubs of America (DECA); Future Business Leaders of  
17 America, Phi Beta Lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers  
18 of America/Home Economics Related Occupations (FHA/HERD); Vocational Industrial Clubs of  
19 America (VICA); organized nonprofit golden age and senior citizens clubs for men and women;  
20 and parent-teacher associations; and from the sale, storage, use, and other consumption in this state,  
21 of and by the Industrial Foundation of Burrillville, a Rhode Island domestic nonprofit corporation.

22 (ii) In the case of contracts entered into with the federal government, its agencies, or  
23 instrumentalities, this state, or any other state of the United States of America, its agencies, any  
24 city, town, district, or other political subdivision of the states; hospitals not operated for profit;  
25 educational institutions not operated for profit; churches, orphanages, and other institutions or  
26 organizations operated exclusively for religious or charitable purposes, the contractor may purchase  
27 such materials and supplies (materials and/or supplies are defined as those that are essential to the  
28 project) that are to be utilized in the construction of the projects being performed under the contracts  
29 without payment of the tax.

30 (iii) The contractor shall not charge any sales or use tax to any exempt agency, institution,  
31 or organization but shall in that instance provide his or her suppliers with certificates in the form  
32 as determined by the division of taxation showing the reason for exemption and the contractor’s  
33 records must substantiate the claim for exemption by showing the disposition of all property so  
34 purchased. If any property is then used for a nonexempt purpose, the contractor must pay the tax

1 on the property used.

2 (6) Gasoline. From the sale and from the storage, use, or other consumption in this state  
3 of: (i) Gasoline and other products taxed under chapter 36 of title 31 and (ii) Fuels used for the  
4 propulsion of airplanes.

5 (7) Purchase for manufacturing purposes.

6 (i) From the sale and from the storage, use, or other consumption in this state of computer  
7 software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, and  
8 water, when the property or service is purchased for the purpose of being manufactured into a  
9 finished product for resale and becomes an ingredient, component, or integral part of the  
10 manufactured, compounded, processed, assembled, or prepared product, or if the property or  
11 service is consumed in the process of manufacturing for resale computer software, tangible personal  
12 property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

13 (ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the  
14 property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

15 (iii) "Consumed" includes mere obsolescence.

16 (iv) "Manufacturing" means and includes: manufacturing, compounding, processing,  
17 assembling, preparing, or producing.

18 (v) "Process of manufacturing" means and includes all production operations performed in  
19 the producing or processing room, shop, or plant, insofar as the operations are a part of and  
20 connected with the manufacturing for resale of tangible personal property, electricity, natural gas,  
21 artificial gas, steam, refrigeration, or water and all production operations performed insofar as the  
22 operations are a part of and connected with the manufacturing for resale of computer software.

23 (vi) "Process of manufacturing" does not mean or include administration operations such  
24 as general office operations, accounting, collection, or sales promotion, nor does it mean or include  
25 distribution operations that occur subsequent to production operations, such as handling, storing,  
26 selling, and transporting the manufactured products, even though the administration and  
27 distribution operations are performed by, or in connection with, a manufacturing business.

28 (8) State and political subdivisions. From the sale to, and from the storage, use, or other  
29 consumption by, this state, any city, town, district, or other political subdivision of this state. Every  
30 redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a subdivision of  
31 the municipality where it is located.

32 (9) Food and food ingredients. From the sale and storage, use, or other consumption in this  
33 state of food and food ingredients as defined in § 44-18-7.1(l).

34 For the purposes of this exemption "food and food ingredients" shall not include candy,

1 soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending  
2 machines, or prepared food, as those terms are defined in § 44-18-7.1, unless the prepared food is:

3 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,  
4 except sub-sector 3118 (bakeries);

5 (ii) Sold in an unheated state by weight or volume as a single item;

6 (iii) Bakery items, including: bread, rolls, buns, biscuits, bagels, croissants, pastries,  
7 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and  
8 is not sold with utensils provided by the seller, including: plates, knives, forks, spoons,  
9 glasses, cups, napkins, or straws.

10 (10) Medicines, drugs, and durable medical equipment. From the sale and from the storage,  
11 use, or other consumption in this state, of:

12 (i) “Drugs” as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and  
13 insulin whether or not sold on prescription. For purposes of this exemption drugs shall not include  
14 over-the-counter drugs and grooming and hygiene products as defined in § 44-18-7.1(h)(iii).

15 (ii) Durable medical equipment as defined in § 44-18-7.1(k) for home use only, including,  
16 but not limited to: syringe infusers, ambulatory drug delivery pumps, hospital beds, convalescent  
17 chairs, and chair lifts. Supplies used in connection with syringe infusers and ambulatory drug  
18 delivery pumps that are sold on prescription to individuals to be used by them to dispense or  
19 administer prescription drugs, and related ancillary dressings and supplies used to dispense or  
20 administer prescription drugs, shall also be exempt from tax.

21 (11) Prosthetic devices and mobility enhancing equipment. From the sale and from the  
22 storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t),  
23 sold on prescription, including, but not limited to: artificial limbs, dentures, spectacles, eyeglasses,  
24 and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on prescription;  
25 and mobility enhancing equipment as defined in § 44-18-7.1(p), including wheelchairs, crutches,  
26 and canes.

27 (12) Coffins, caskets, urns, shrouds and burial garments. From the sale and from the  
28 storage, use, or other consumption in this state of coffins, caskets, burial containers, urns, urn liners,  
29 urn vaults, grave liners, grave vaults, burial tent setups, prayer cards, shrouds, and other burial  
30 garments that are ordinarily sold by a funeral director as part of the business of funeral directing.

31 (13) Motor vehicles sold to nonresidents.

32 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide nonresident  
33 of this state who does not register the motor vehicle in this state, whether the sale or delivery of the  
34 motor vehicle is made in this state or at the place of residence of the nonresident. A motor vehicle

1 sold to a bona fide nonresident whose state of residence does not allow a like exemption to its  
2 nonresidents is not exempt from the tax imposed under § 44-18-20. In that event, the bona fide  
3 nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed  
4 in his or her state of residence not to exceed the rate that would have been imposed under § 44-18-  
5 20. Notwithstanding any other provisions of law, a licensed motor vehicle dealer shall add and  
6 collect the tax required under this subdivision and remit the tax to the tax administrator under the  
7 provisions of chapters 18 and 19 of this title. When a Rhode Island licensed, motor vehicle dealer  
8 is required to add and collect the sales and use tax on the sale of a motor vehicle to a bona fide  
9 nonresident as provided in this section, the dealer in computing the tax takes into consideration the  
10 law of the state of the nonresident as it relates to the trade-in of motor vehicles.

11 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
12 require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents as the  
13 tax administrator deems reasonably necessary to substantiate the exemption provided in this  
14 subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of the  
15 motor vehicle was the holder of, and had in his or her possession a valid out-of-state motor vehicle  
16 registration or a valid out-of-state driver's license.

17 (iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days of  
18 the date of its sale to him or her is deemed to have purchased the motor vehicle for use, storage, or  
19 other consumption in this state, and is subject to, and liable for, the use tax imposed under the  
20 provisions of § 44-18-20.

21 (14) Sales in public buildings by blind people. From the sale and from the storage, use, or  
22 other consumption in all public buildings in this state of all products or wares by any person  
23 licensed under § 40-9-11.1.

24 (15) Air and water pollution control facilities. From the sale, storage, use, or other  
25 consumption in this state of tangible personal property or supplies acquired for incorporation into  
26 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the  
27 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12  
28 of title 46 and chapter 23 of title 23, respectively, and that has been certified as approved for that  
29 purpose by the director of environmental management. The director of environmental management  
30 may certify to a portion of the tangible personal property or supplies acquired for incorporation  
31 into those facilities or used and consumed in the operation of those facilities to the extent that that  
32 portion has as its primary purpose the control of the pollution or contamination of the waters or air  
33 of this state. As used in this subdivision, "facility" means any land, facility, device, building,  
34 machinery, or equipment.

1 (16) Camps. From the rental charged for living quarters, or sleeping, or housekeeping  
2 accommodations at camps or retreat houses operated by religious, charitable, educational, or other  
3 organizations and associations mentioned in subsection (5), or by privately owned and operated  
4 summer camps for children.

5 (17) Certain institutions. From the rental charged for living or sleeping quarters in an  
6 institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

7 (18) Educational institutions. From the rental charged by any educational institution for  
8 living quarters, or sleeping, or housekeeping accommodations or other rooms or accommodations  
9 to any student or teacher necessitated by attendance at an educational institution. "Educational  
10 institution" as used in this section means an institution of learning not operated for profit that is  
11 empowered to confer diplomas, educational, literary, or academic degrees; that has a regular  
12 faculty, curriculum, and organized body of pupils or students in attendance throughout the usual  
13 school year; that keeps and furnishes to students and others records required and accepted for  
14 entrance to schools of secondary, collegiate, or graduate rank; and no part of the net earnings of  
15 which inures to the benefit of any individual.

16 (19) Motor vehicle and adaptive equipment for persons with disabilities.

17 (i) From the sale of: (A) Special adaptations; (B) The component parts of the special  
18 adaptations; or (C) A specially adapted motor vehicle; provided that the owner furnishes to the tax  
19 administrator an affidavit of a licensed physician to the effect that the specially adapted motor  
20 vehicle is necessary to transport a family member with a disability or where the vehicle has been  
21 specially adapted to meet the specific needs of the person with a disability. This exemption applies  
22 to not more than one motor vehicle owned and registered for personal, noncommercial use.

23 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not  
24 limited to: wheelchair lifts, wheelchair carriers, wheelchair ramps, wheelchair securements, hand  
25 controls, steering devices, extensions, relocations, and crossovers of operator controls, power-  
26 assisted controls, raised tops or dropped floors, raised entry doors, or alternative signaling devices  
27 to auditory signals.

28 (iii) From the sale of: (a) Special adaptations, (b) The component parts of the special  
29 adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1, and/or a "wheelchair  
30 accessible public motor vehicle" as defined in § 39-14.1-1.

31 (iv) For the purpose of this subdivision the exemption for a "specially adapted motor  
32 vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due on  
33 the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the special  
34 adaptations, including installation.

1           (20) Heating fuels. From the sale and from the storage, use, or other consumption in this  
2 state of every type of heating fuel.

3           (21) Electricity and gas. From the sale and from the storage, use, or other consumption in  
4 this state of electricity and gas.

5           (22) Manufacturing machinery and equipment.

6           (i) From the sale and from the storage, use, or other consumption in this state of tools, dies,  
7 molds, machinery, equipment (including replacement parts), and related items to the extent used in  
8 an industrial plant in connection with the actual manufacture, conversion, or processing of tangible  
9 personal property, or to the extent used in connection with the actual manufacture, conversion, or  
10 processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373  
11 in the standard industrial classification manual prepared by the Technical Committee on Industrial  
12 Classification, Office of Statistical Standards, Executive Office of the President, United States  
13 Bureau of the Budget, as revised from time to time, to be sold, or that machinery and equipment  
14 used in the furnishing of power to an industrial manufacturing plant. For the purposes of this  
15 subdivision, "industrial plant" means a factory at a fixed location primarily engaged in the  
16 manufacture, conversion, or processing of tangible personal property to be sold in the regular  
17 course of business;

18           (ii) Machinery and equipment and related items are not deemed to be used in connection  
19 with the actual manufacture, conversion, or processing of tangible personal property, or in  
20 connection with the actual manufacture, conversion, or processing of computer software as that  
21 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification  
22 manual prepared by the Technical Committee on Industrial Classification, Office of Statistical  
23 Standards, Executive Office of the President, United States Bureau of the Budget, as revised from  
24 time to time, to be sold to the extent the property is used in administration or distribution operations;

25           (iii) Machinery and equipment and related items used in connection with the actual  
26 manufacture, conversion, or processing of any computer software or any tangible personal property  
27 that is not to be sold and that would be exempt under subdivision (7) or this subdivision if purchased  
28 from a vendor or machinery and equipment and related items used during any manufacturing,  
29 converting, or processing function is exempt under this subdivision even if that operation, function,  
30 or purpose is not an integral or essential part of a continuous production flow or manufacturing  
31 process;

32           (iv) Where a portion of a group of portable or mobile machinery is used in connection with  
33 the actual manufacture, conversion, or processing of computer software or tangible personal  
34 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under

1 this subdivision even though the machinery in that group is used interchangeably and not otherwise  
2 identifiable as to use.

3 (23) Trade-in value of motor vehicles. From the sale and from the storage, use, or other  
4 consumption in this state of so much of the purchase price paid for a new or used automobile as is  
5 allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of  
6 the proceeds applicable only to the automobile as are received from the manufacturer of  
7 automobiles for the repurchase of the automobile whether the repurchase was voluntary or not  
8 towards the purchase of a new or used automobile by the buyer. For the purpose of this subdivision,  
9 the word "automobile" means a private passenger automobile not used for hire and does not refer  
10 to any other type of motor vehicle.

11 (24) Precious metal bullion.

12 (i) From the sale and from the storage, use, or other consumption in this state of precious  
13 metal bullion, substantially equivalent to a transaction in securities or commodities.

14 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary  
15 precious metal that has been put through a process of smelting or refining, including, but not limited  
16 to: gold, silver, platinum, rhodium, and chromium, and that is in a state or condition that its value  
17 depends upon its content and not upon its form.

18 (iii) The term does not include fabricated precious metal that has been processed or  
19 manufactured for some one or more specific and customary industrial, professional, or artistic uses.

20 (25) Commercial vessels. From sales made to a commercial ship, barge, or other vessel of  
21 fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the  
22 repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use  
23 of the vessels including provisions, supplies, and material for the maintenance and/or repair of the  
24 vessels.

25 (26) Commercial fishing vessels. From the sale and from the storage, use, or other  
26 consumption in this state of vessels and other watercraft that are in excess of five (5) net tons and  
27 that are used exclusively for "commercial fishing," as defined in this subdivision, and from the  
28 repair, alteration, or conversion of those vessels and other watercraft, and from the sale of property  
29 purchased for the use of those vessels and other watercraft including provisions, supplies, and  
30 material for the maintenance and/or repair of the vessels and other watercraft and the boats nets,  
31 cables, tackle, and other fishing equipment appurtenant to or used in connection with the  
32 commercial fishing of the vessels and other watercraft. "Commercial fishing" means taking or  
33 attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of it for  
34 profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence

1 fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include  
2 vessels and other watercraft with a Rhode Island party and charter boat license issued by the  
3 department of environmental management pursuant to § 20-2-27.1 that meet the following criteria:  
4 (i) The operator must have a current United States Coast Guard (U.S.C.G.) license to carry  
5 passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)  
6 U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island boat  
7 registration to prove Rhode Island home port status; and (iv) The vessel must be used as a  
8 commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be  
9 able to demonstrate that at least fifty percent (50%) of its annual gross income derives from charters  
10 or provides documentation of a minimum of one hundred (100) charter trips annually; and (v) The  
11 vessel must have a valid Rhode Island party and charter boat license. The tax administrator shall  
12 implement the provisions of this subdivision by promulgating rules and regulations relating thereto.

13 (27) Clothing and footwear. From the sales of articles of clothing, including footwear,  
14 intended to be worn or carried on or about the human body for sales prior to October 1, 2012.  
15 Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including  
16 footwear, intended to be worn or carried on or about the human body up to two hundred and fifty  
17 dollars (\$250) of the sales price per item. For the purposes of this section, “clothing or footwear”  
18 does not include clothing accessories or equipment or special clothing or footwear primarily  
19 designed for athletic activity or protective use as these terms are defined in § 44-18-7.1(f). In  
20 recognition of the work being performed by the streamlined sales and use tax governing board,  
21 upon passage of any federal law that authorizes states to require remote sellers to collect and remit  
22 sales and use taxes, this unlimited exemption will apply as it did prior to October 1, 2012. The  
23 unlimited exemption on sales of clothing and footwear shall take effect on the date that the state  
24 requires remote sellers to collect and remit sales and use taxes.

25 (28) Water for residential use. From the sale and from the storage, use, or other  
26 consumption in this state of water furnished for domestic use by occupants of residential premises.

27 (29) Bibles. [Unconstitutional; see *Ahlburn v. Clark*, 728 A.2d 449 (R.I. 1999); see Notes  
28 to Decisions.] From the sale and from the storage, use, or other consumption in the state of any  
29 canonized scriptures of any tax-exempt nonprofit religious organization including, but not limited  
30 to, the Old Testament and the New Testament versions.

31 (30) Boats.

32 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not  
33 register the boat or vessel in this state or document the boat or vessel with the United States  
34 government at a home port within the state, whether the sale or delivery of the boat or vessel is

1 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty (30)  
2 days after delivery by the seller outside the state for use thereafter solely outside the state.

3 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
4 require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the  
5 tax administrator deems reasonably necessary to substantiate the exemption provided in this  
6 subdivision, including the affidavit of the seller that the buyer represented himself or herself to be  
7 a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

8 (31) Youth activities equipment. From the sale, storage, use, or other consumption in this  
9 state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island  
10 eleemosynary organizations, for the purposes of youth activities that the organization is formed to  
11 sponsor and support; and by accredited elementary and secondary schools for the purposes of the  
12 schools or of organized activities of the enrolled students.

13 (32) Farm equipment. From the sale and from the storage or use of machinery and  
14 equipment used directly for commercial farming and agricultural production; including, but not  
15 limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,  
16 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,  
17 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and  
18 other farming equipment, including replacement parts appurtenant to or used in connection with  
19 commercial farming and tools and supplies used in the repair and maintenance of farming  
20 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or the  
21 production within this state of agricultural products, including, but not limited to, field or orchard  
22 crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production  
23 provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to the operator,  
24 whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July  
25 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2) levels. Level I  
26 shall be based on proof of annual, gross sales from commercial farming of at least twenty-five  
27 hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption provided in this  
28 subdivision except for motor vehicles with an excise tax value of five thousand dollars (\$5,000) or  
29 greater. Level II shall be based on proof of annual gross sales from commercial farming of at least  
30 ten thousand dollars (\$10,000) or greater and shall be valid for purchases subject to the exemption  
31 provided in this subdivision including motor vehicles with an excise tax value of five thousand  
32 dollars (\$5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount  
33 of annual gross sales from commercial farming shall be required for the prior year; for any renewal  
34 of an exemption granted in accordance with this subdivision at either level I or level II, proof of

1 gross annual sales from commercial farming at the requisite amount shall be required for each of  
2 the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly  
3 indicate the level of the exemption and be valid for four (4) years after the date of issue. This  
4 exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for  
5 a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after  
6 July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for  
7 registration displaying farm plates as provided for in § 31-3-31.

8 (i) An urban farmer is not required to meet any minimum annual, gross sales amount in  
9 prior years to qualify for either Level I or Level II exemption levels. Proof of satisfying the  
10 definitional requirements in this subsection shall be required.

11 (A) For the sole purposes of this subsection:

12 (I) “Actively devoted to agricultural or horticultural use” means land used, under normally  
13 acceptable practices, in the production of plants and animals useful to people including, but not  
14 limited to: forages and sod; fruits of all kinds including nuts, berries, grapes and vegetables; floral,  
15 ornamental and greenhouse products; the growing of Christmas trees; dairy animals and dairy  
16 products; poultry and poultry products; sheep and sheep products; beekeeping; livestock including  
17 beef cattle, swine, horses and mules; stabling of horses; the commercial breeding or grazing of any  
18 or all such animals for the production of meat, milk, fiber in saleable livestock; and the production  
19 of fish, shellfish, plant material and fish products through aquacultural practices.

20 (II) “Agricultural operations” means any commercial enterprise or community garden  
21 enterprise which has as its primary purpose horticulture, viticulture, viniculture, floriculture,  
22 forestry, composting, stabling of horses, dairy farming, aquaculture, raising of livestock, furbearing  
23 animals, poultry, or bees.

24 (III) “Under normally acceptable practices” means management of the urban farmland  
25 using cultivation and husbandry techniques including, but not limited to, techniques for the proper  
26 animal and plant densities and spacing, harvesting techniques, irrigation techniques, soil  
27 conditioning and preservation techniques, erosion control practices, waste disposal techniques,  
28 cover crops, and rotation cycles recommended by the university of Rhode Island, U.S. Department  
29 of Agriculture, recognized producers organizations and seed and implement manufacturers for  
30 Rhode Island soils and practices approved by the department of environmental management  
31 agricultural advisory committee.

32 (IV) “Urban area” means any municipality that is incorporated as a city or has a population  
33 density greater than three thousand (3,000) residents per square mile as of the most recently  
34 published U.S. Census.

1           (V) “Urban farmer” means the principal person engaged in agricultural operations on urban  
2 farmland as indicated for income tax purposes by filing an IRS Schedule F or equivalent.

3           (VI) “Urban farming” means the keeping or boarding of five (5) or more horses or the  
4 production within this state of agricultural products, including, but not limited to, field or orchard  
5 crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production  
6 is undertaken by an urban farmer in an urban area.

7           (VII) “Urban farmland” means land that is actively devoted to agricultural or horticultural  
8 use in an urban area in which an urban farmer is the principal operator of the agricultural operations  
9 on such land.

10           (33) Compressed air. From the sale and from the storage, use, or other consumption in the  
11 state of compressed air.

12           (34) Flags. From the sale and from the storage, consumption, or other use in this state of  
13 United States, Rhode Island or POW-MIA flags.

14           (35) Motor vehicle and adaptive equipment to certain veterans. From the sale of a motor  
15 vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or  
16 the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether service  
17 connected or not. The motor vehicle must be purchased by and especially equipped for use by the  
18 qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under rules or  
19 regulations that the tax administrator may prescribe.

20           (36) Textbooks. From the sale and from the storage, use, or other consumption in this state  
21 of textbooks by an “educational institution,” as defined in subsection (18) of this section, and any  
22 educational institution within the purview of § 16-63-9(4), and used textbooks by any purveyor.

23           (37) Tangible personal property and supplies used in on-site hazardous waste recycling,  
24 reuse, or treatment. From the sale, storage, use, or other consumption in this state of tangible  
25 personal property or supplies used or consumed in the operation of equipment, the exclusive  
26 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as  
27 defined in subdivision (24)(ii) of this section) from the treatment of “hazardous wastes,” as defined  
28 in § 23-19.1-4, where the “hazardous wastes” are generated in Rhode Island solely by the same  
29 taxpayer and where the personal property is located at, in, or adjacent to a generating facility of the  
30 taxpayer in Rhode Island. The taxpayer shall procure an order from the director of the department  
31 of environmental management certifying that the equipment and/or supplies as used or consumed,  
32 qualify for the exemption under this subdivision. If any information relating to secret processes or  
33 methods of manufacture, production, or treatment is disclosed to the department of environmental  
34 management only to procure an order, and is a “trade secret” as defined in § 28-21-10(b), it is not

1 open to public inspection or publicly disclosed unless disclosure is required under chapter 21 of  
2 title 28 or chapter 24.4 of title 23.

3 (38) Promotional and product literature of boat manufacturers. From the sale and from the  
4 storage, use, or other consumption of promotional and product literature of boat manufacturers  
5 shipped to points outside of Rhode Island that either: (i) Accompany the product that is sold; (ii)  
6 Are shipped in bulk to out-of-state dealers for use in the sale of the product; or (iii) Are mailed to  
7 customers at no charge.

8 (39) Food items paid for by food stamps. From the sale and from the storage, use, or other  
9 consumption in this state of eligible food items payment for which is properly made to the retailer  
10 in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of 1977,  
11 7 U.S.C. § 2011 et seq.

12 (40) Transportation charges. From the sale or hiring of motor carriers as defined in § 39-  
13 12-2(12) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed  
14 with the Rhode Island public utilities commission on the number of miles driven or by the number  
15 of hours spent on the job.

16 (41) Trade-in value of boats. From the sale and from the storage, use, or other consumption  
17 in this state of so much of the purchase price paid for a new or used boat as is allocated for a trade-  
18 in allowance on the boat of the buyer given in trade to the seller or of the proceeds applicable only  
19 to the boat as are received from an insurance claim as a result of a stolen or damaged boat, towards  
20 the purchase of a new or used boat by the buyer.

21 (42) Equipment used for research and development. From the sale and from the storage,  
22 use, or other consumption of equipment to the extent used for research and development purposes  
23 by a qualifying firm. For the purposes of this subsection, “qualifying firm” means a business for  
24 which the use of research and development equipment is an integral part of its operation and  
25 “equipment” means scientific equipment, computers, software, and related items.

26 (43) Coins. From the sale and from the other consumption in this state of coins having  
27 numismatic or investment value.

28 (44) Farm structure construction materials. Lumber, hardware, and other materials used in  
29 the new construction of farm structures, including production facilities such as, but not limited to:  
30 farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying houses,  
31 fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing rooms,  
32 machinery storage, seasonal farm worker housing, certified farm markets, bunker and trench silos,  
33 feed storage sheds, and any other structures used in connection with commercial farming or urban  
34 farming.

1           (i) For the sole purposes of this subsection:

2           (A) “Actively devoted to agricultural or horticultural use” means land used, under normally  
3 acceptable practices, in the production of plants and animals useful to people including, but not  
4 limited to: forages and sod; fruits of all kinds including nuts, berries, grapes and vegetables; floral,  
5 ornamental and greenhouse products; the growing of Christmas trees; dairy animals and dairy  
6 products; poultry and poultry products; sheep and sheep products; beekeeping; livestock including  
7 beef cattle, swine, horses and mules; stabling of horses; the commercial breeding or grazing of any  
8 or all such animals for the production of meat, milk, fiber in saleable livestock; and the production  
9 of fish, shellfish, plant material and fish products through aquacultural practices.

10           (B) “Agricultural operations” means any commercial enterprise or community garden  
11 enterprise which has as its primary purpose horticulture, viticulture, viniculture, floriculture,  
12 forestry, composting, stabling of horses, dairy farming, aquaculture, raising of livestock, furbearing  
13 animals, poultry, or bees.

14           (C) “Under normally acceptable practices” means management of the urban farmland using  
15 cultivation and husbandry techniques including, but not limited to, techniques for the proper animal  
16 and plant densities and spacing, harvesting techniques, irrigation techniques, soil conditioning and  
17 preservation techniques, erosion control practices, waste disposal techniques, cover crops, and  
18 rotation cycles recommended by the university of Rhode Island, U.S. Department of Agriculture,  
19 recognized producers organizations and seed and implement manufacturers for Rhode Island soils  
20 and practices approved by the department of environmental management agricultural advisory  
21 committee.

22           (D) “Urban area” means any municipality that is incorporated as a city or has a population  
23 density greater than three thousand (3,000) residents per square mile as of the most recently  
24 published U.S. Census.

25           (E) “Urban farmer” means the principal person engaged in agricultural operations on urban  
26 farmland as indicated for income tax purposes by filing an IRS Schedule F or equivalent.

27           (F) “Urban farming” means the keeping or boarding of five (5) or more horses or the  
28 production within this state of agricultural products, including, but not limited to, field or orchard  
29 crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production  
30 is undertaken by an urban farmer in an urban area.

31           (G) “Urban farmland” means land that is actively devoted to agricultural or horticultural  
32 use in an urban area in which an urban farmer is the principal operator of the agricultural operations  
33 on such land.

34           (45) Telecommunications carrier access service. Carrier access service or

1 telecommunications service when purchased by a telecommunications company from another  
2 telecommunications company to facilitate the provision of telecommunications service.

3 (46) Boats or vessels brought into the state exclusively for winter storage, maintenance,  
4 repair, or sale. Notwithstanding the provisions of §§ 44-18-10, 44-18-11 and 44-18-20, the tax  
5 imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in  
6 any year up to and including the 30th day of April next succeeding with respect to the use of any  
7 boat or vessel within this state exclusively for purposes of: (i) Delivery of the vessel to a facility in  
8 this state for storage, including dry storage and storage in water by means of apparatus preventing  
9 ice damage to the hull, maintenance, or repair; (ii) The actual process of storage, maintenance, or  
10 repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or vessel.

11 (47) Jewelry display product. From the sale and from the storage, use, or other  
12 consumption in this state of tangible personal property used to display any jewelry product;  
13 provided that title to the jewelry display product is transferred by the jewelry manufacturer or seller  
14 and that the jewelry display product is shipped out of state for use solely outside the state and is not  
15 returned to the jewelry manufacturer or seller.

16 (48) Boats or vessels generally. Notwithstanding the provisions of this chapter, the tax  
17 imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage,  
18 use, or other consumption in this state of any new or used boat. The exemption provided for in this  
19 subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal ten  
20 percent (10%) surcharge on luxury boats is repealed.

21 (49) Banks and regulated investment companies interstate toll-free calls. Notwithstanding  
22 the provisions of this chapter, the tax imposed by this chapter does not apply to the furnishing of  
23 interstate and international, toll-free terminating telecommunication service that is used directly  
24 and exclusively by or for the benefit of an eligible company as defined in this subdivision; provided  
25 that an eligible company employs on average during the calendar year no less than five hundred  
26 (500) "full-time equivalent employees" as that term is defined in § 42-64.5-2. For purposes of this  
27 section, an "eligible company" means a "regulated investment company" as that term is defined in  
28 the Internal Revenue Code of 1986, 26 U.S.C. § 851, or a corporation to the extent the service is  
29 provided, directly or indirectly, to or on behalf of a regulated investment company, an employee  
30 benefit plan, a retirement plan or a pension plan, or a state-chartered bank.

31 (50) Mobile and manufactured homes generally. From the sale and from the storage, use,  
32 or other consumption in this state of mobile and/or manufactured homes as defined and subject to  
33 taxation pursuant to the provisions of chapter 44 of title 31.

34 (51) Manufacturing business reconstruction materials.

1 (i) From the sale and from the storage, use, or other consumption in this state of lumber,  
2 hardware, and other building materials used in the reconstruction of a manufacturing business  
3 facility that suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any  
4 occurrence, natural or otherwise, that results in the destruction of sixty percent (60%) or more of  
5 an operating manufacturing business facility within this state. "Disaster" does not include any  
6 damage resulting from the willful act of the owner of the manufacturing business facility.

7 (ii) Manufacturing business facility includes, but is not limited to, the structures housing  
8 the production and administrative facilities.

9 (iii) In the event a manufacturer has more than one manufacturing site in this state, the sixty  
10 percent (60%) provision applies to the damages suffered at that one site.

11 (iv) To the extent that the costs of the reconstruction materials are reimbursed by insurance,  
12 this exemption does not apply.

13 (52) Tangible personal property and supplies used in the processing or preparation of floral  
14 products and floral arrangements. From the sale, storage, use, or other consumption in this state of  
15 tangible personal property or supplies purchased by florists, garden centers, or other like producers  
16 or vendors of flowers, plants, floral products, and natural and artificial floral arrangements that are  
17 ultimately sold with flowers, plants, floral products, and natural and artificial floral arrangements  
18 or are otherwise used in the decoration, fabrication, creation, processing, or preparation of flowers,  
19 plants, floral products, or natural and artificial floral arrangements, including descriptive labels,  
20 stickers, and cards affixed to the flower, plant, floral product, or arrangement, artificial flowers,  
21 spray materials, floral paint and tint, plant shine, flower food, insecticide, and fertilizers.

22 (53) Horse food products. From the sale and from the storage, use, or other consumption  
23 in this state of horse food products purchased by a person engaged in the business of the boarding  
24 of horses.

25 (54) Non-motorized recreational vehicles sold to nonresidents.

26 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to  
27 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle  
28 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this  
29 state or at the place of residence of the nonresident; provided that a non-motorized recreational  
30 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to  
31 its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in  
32 that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate  
33 that would be imposed in his or her state of residence not to exceed the rate that would have been  
34 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed, non-motorized

1 recreational vehicle dealer shall add and collect the tax required under this subdivision and remit  
2 the tax to the tax administrator under the provisions of chapters 18 and 19 of this title. Provided,  
3 that when a Rhode Island licensed, non-motorized recreational vehicle dealer is required to add and  
4 collect the sales and use tax on the sale of a non-motorized recreational vehicle to a bona fide  
5 nonresident as provided in this section, the dealer in computing the tax takes into consideration the  
6 law of the state of the nonresident as it relates to the trade-in of motor vehicles.

7 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
8 require any licensed, non-motorized recreational vehicle dealer to keep records of sales to bona fide  
9 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption  
10 provided in this subdivision, including the affidavit of a licensed, non-motorized recreational  
11 vehicle dealer that the purchaser of the non-motorized recreational vehicle was the holder of, and  
12 had in his or her possession a valid out-of-state non-motorized recreational vehicle registration or  
13 a valid out-of-state driver's license.

14 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state within  
15 ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-motorized  
16 recreational vehicle for use, storage, or other consumption in this state, and is subject to, and liable  
17 for, the use tax imposed under the provisions of § 44-18-20.

18 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and  
19 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use  
20 that is eligible to be registered for highway use, including, but not limited to, "pick-up coaches" or  
21 "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1 of  
22 title 31.

23 (55) Sprinkler and fire alarm systems in existing buildings. From the sale in this state of  
24 sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials  
25 necessary and attendant to the installation of those systems that are required in buildings and  
26 occupancies existing therein in July 2003 in order to comply with any additional requirements for  
27 such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003  
28 and that are not required by any other provision of law or ordinance or regulation adopted pursuant  
29 to that act. The exemption provided in this subdivision shall expire on December 31, 2008.

30 (56) Aircraft. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-  
31 18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other  
32 consumption in this state of any new or used aircraft or aircraft parts.

33 (57) Renewable energy products. Notwithstanding any other provisions of Rhode Island  
34 general laws, the following products shall also be exempt from sales tax: solar photovoltaic

1 modules or panels, or any module or panel that generates electricity from light; solar thermal  
2 collectors, including, but not limited to, those manufactured with flat glass plates, extruded plastic,  
3 sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-water and  
4 water-to-air type pumps; wind turbines; towers used to mount wind turbines if specified by or sold  
5 by a wind turbine manufacturer; DC to AC inverters that interconnect with utility power lines; and  
6 manufactured mounting racks and ballast pans for solar collector, module, or panel installation. Not  
7 to include materials that could be fabricated into such racks; monitoring and control equipment, if  
8 specified or supplied by a manufacturer of solar thermal, solar photovoltaic, geothermal, or wind  
9 energy systems or if required by law or regulation for such systems but not to include pumps, fans  
10 or plumbing or electrical fixtures unless shipped from the manufacturer affixed to, or an integral  
11 part of, another item specified on this list; and solar storage tanks that are part of a solar domestic  
12 hot water system or a solar space heating system. If the tank comes with an external heat exchanger  
13 it shall also be tax exempt, but a standard hot water tank is not exempt from state sales tax.

14 (58) Returned property. The amount charged for property returned by customers upon  
15 rescission of the contract of sale when the entire amount exclusive of handling charges paid for the  
16 property is refunded in either cash or credit, and where the property is returned within one hundred  
17 twenty (120) days from the date of delivery.

18 (59) Dietary supplements. From the sale and from the storage, use, or other consumption  
19 of dietary supplements as defined in § 44-18-7.1(l)(v), sold on prescriptions.

20 (60) Blood. From the sale and from the storage, use, or other consumption of human blood.

21 (61) Agricultural products for human consumption. From the sale and from the storage,  
22 use, or other consumption of livestock and poultry of the kinds of products that ordinarily constitute  
23 food for human consumption and of livestock of the kind the products of which ordinarily constitute  
24 fibers for human use.

25 (62) Diesel emission control technology. From the sale and use of diesel retrofit  
26 technology that is required by § 31-47.3-4.

27 (63) Feed for certain animals used in commercial farming. From the sale of feed for  
28 animals as described in subsection (61) of this section.

29 (64) Alcoholic beverages. From the sale and storage, use, or other consumption in this  
30 state by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and  
31 malt beverages; provided, further, notwithstanding § 6-13-1 or any other general or public law to  
32 the contrary, alcoholic beverages, as defined in § 44-18-7.1, shall not be subject to minimum  
33 markup.

34 (65) Seeds and plants used to grow food and food ingredients. From the sale, storage, use,

1 or other consumption in this state of seeds and plants used to grow food and food ingredients as  
2 defined in § 44-18-7.1(l)(i). “Seeds and plants used to grow food and food ingredients” shall not  
3 include marijuana seeds or plants.

4 (66) Feminine hygiene products. From the sale and from the storage, use, or other  
5 consumption of tampons, panty liners, menstrual cups, sanitary napkins, and other similar products  
6 the principal use of which is feminine hygiene in connection with the menstrual cycle.

7 (67) “Breast pump collection and storage supplies” means items of tangible personal  
8 property used in conjunction with a breast pump to collect milk expressed from a human breast and  
9 to store collected milk until it is ready for consumption. “Breast pump collection and storage  
10 supplies” include, but are not limited to, breast shields and breast shield connectors; breast pump  
11 tubes and tubing adaptors; breast pump valves and membranes; backflow protectors and backflow  
12 protector adaptors; bottles and bottle caps specific to the operation of the breast pump; breast milk  
13 storage bags; and related items sold as part of a breast pump kit pre-packaged by the breast pump  
14 manufacturer. “Breast pump collection and storage supplies” does not include: bottles and bottle  
15 caps not specific to the operation of the breast pump; breast pump travel bags and other similar  
16 carrying accessories, including ice packs, labels, and other similar products, unless sold as part of  
17 a breast pump kit pre-packed by the breast pump manufacturer; breast pump cleaning supplies,  
18 unless sold as part of a breast pump kit pre-packaged by the breast pump manufacturer; nursing  
19 bras, bra pads, breast shells, and other similar products; and creams, ointments, and other similar  
20 products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples.

21 (68) Trade-in value of motorcycles. From the sale and from the storage, use, or other  
22 consumption in this state of so much of the purchase price paid for a new or used motorcycle as is  
23 allocated for a trade-in allowance on the motorcycle of the buyer given in trade to the seller, or of  
24 the proceeds applicable only to the motorcycle as are received from the manufacturer of  
25 motorcycles for the repurchase of the motorcycle whether the repurchase was voluntary or not  
26 towards the purchase of a new or used motorcycle by the buyer. For the purpose of this subsection,  
27 the word “motorcycle” means a motorcycle not used for hire and does not refer to any other type  
28 of motor vehicle.

29 (69) From the sale and from the storage, use, or other consumption in this state of farm  
30 products used to grow food by urban farmers and small farmers.

31 (i) For the sole purposes of this subsection:

32 (A) “Actively devoted to agricultural or horticultural use” means land used, under normally  
33 acceptable practices, in the production of plants and animals useful to people including, but not  
34 limited to: forages and sod; fruits of all kinds including nuts, berries, grapes and vegetables; floral,

1 ornamental and greenhouse products; the growing of Christmas trees; dairy animals and dairy  
2 products; poultry and poultry products; sheep and sheep products; beekeeping; livestock including  
3 beef cattle, swine, horses and mules; stabling of horses; the commercial breeding or grazing of any  
4 or all such animals for the production of meat, milk, fiber in saleable livestock; and the production  
5 of fish, shellfish, plant material and fish products through aquacultural practices.

6 (B) “Agricultural operations” means any commercial enterprise or community garden  
7 enterprise which has as its primary purpose horticulture, viticulture, viniculture, floriculture,  
8 forestry, composting, stabling of horses, dairy farming, aquaculture, raising of livestock, furbearing  
9 animals, poultry, or bees.

10 (C) “Small farmer” means the principal person engaged in agricultural operations on fewer  
11 than five (5) acres of land actively devoted to agricultural or horticultural use as indicated for  
12 income tax purposes by filing an IRS Schedule F or equivalent.

13 (D) “Small farmland” means land totaling fewer than five (5) acres actively devoted to  
14 agricultural or horticultural use in which a small farmer is the principal operator of the agricultural  
15 operations on such land.

16 (E) “Under normally acceptable practices” means management of the urban farmland using  
17 cultivation and husbandry techniques including, but not limited to, techniques for the proper animal  
18 and plant densities and spacing, harvesting techniques, irrigation techniques, soil conditioning and  
19 preservation techniques, erosion control practices, waste disposal techniques, cover crops, and  
20 rotation cycles recommended by the university of Rhode Island, U.S. Department of Agriculture,  
21 recognized producers organizations and seed and implement manufacturers for Rhode Island soils  
22 and practices approved by the department of environmental management agricultural advisory  
23 committee.

24 (F) “Urban area” means any municipality that is incorporated as a city or has a population  
25 density greater than three thousand (3,000) residents per square mile as of the most recently  
26 published U.S. Census.

27 (G) “Urban farmer” means the principal person engaged in agricultural operations on urban  
28 farmland as indicated for income tax purposes by filing an IRS Schedule F or equivalent.

29 (H) “Urban farmland” means land that is actively devoted to agricultural or horticultural  
30 use in an urban area in which an urban farmer is the principal operator of the agricultural operations  
31 on such land.

32 SECTION 4. This act shall take effect on July 1, 2027.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

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1           This act would exempt certain urban and small farmers from sales taxes, real, tangible and  
2 personal property taxes and income taxes. This act would also define urban and small farmers and  
3 urban farmland.

4           This act would take effect on July 1, 2027.

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