

1 **ARTICLE 8**

2 RELATING TO SMALL BUSINESS

3 SECTION 1. Section 3-6-1.2 of the General Laws in Chapter 3-6 entitled "Manufacturing
4 and Wholesale Licenses" is hereby amended as follows:

5 **3-6-1.2. Brewpub manufacturer's license.**

6 (a) A brewpub manufacturer's license shall authorize the holder to establish and operate a
7 brewpub within this state. The brewpub manufacturer's license shall authorize the retail sale of the
8 beverages manufactured on the location for consumption on the premises. The license shall not
9 authorize the retail sale of beverages from any location other than the location set forth in the
10 license. A brewpub may sell at retail alcoholic beverages produced on the premises by the half-
11 gallon bottle known as a "growler" to consumers for off the premises consumption to be sold
12 pursuant to the laws governing retail Class A establishments. The license also authorizes the sale
13 of beverages produced on the premises in an amount not in excess of forty-eight (48) twelve-ounce
14 (12 oz.) bottles or cans or forty-eight (48) sixteen-ounce (16 oz.) bottles or cans of malt beverages,
15 or one thousand five hundred milliliters (1500 ml), of distilled spirits per visitor, per day, to be sold
16 in containers that may hold no more than seventy-two ounces (72 oz.) each. These beverages may
17 be sold to the consumers for off-premises consumption, and shall be sold pursuant to the laws
18 governing retail Class A establishments.

19 (b) The license shall also authorize the sale at wholesale at the licensed place by the
20 manufacturer of the product of his or her licensed plant as well as beverages produced for the
21 brewpub and sold under the brewpub's name to a holder of a wholesaler's license and the
22 transportation and delivery from the place of sale to the licensed wholesaler or to a common carrier
23 for that delivery.

24 (c) The brewpub manufacturer's license further authorizes the sale of beverages
25 manufactured on the premises to any person holding a valid wholesaler's and importer's license
26 under § 3-6-9 or 3-6-11.

27 (d) The annual fee for the license is one thousand dollars (\$1,000) for a brewpub producing
28 more than fifty thousand gallons (50,000 gal.) per year and five hundred dollars (\$500) per year for
29 a brewpub producing less than fifty thousand gallons (50,000 gal.) per year. The annual fee is
30 prorated to the year ending December 1 in every calendar year and paid to the general treasurer for
31 the use of the state.

1 (e) ~~[Expires March 1, 2022]~~. A holder of a brewpub manufacturer’s license will be
2 permitted to sell, with take-out food orders, up to two (2) seven hundred fifty millimeter (750 ml)
3 bottles of wine or the equivalent volume of wine in smaller factory sealed containers, or seventy-
4 two ounces (72 oz.) of mixed wine-based drinks or single-serving wine in containers sealed in such
5 a way as to prevent re-opening without obvious evidence that the seal was removed or broken, one
6 hundred forty-four ounces (144 oz.) of beer or mixed beverages in original factory sealed
7 containers, and one hundred forty-four ounces (144 oz.) of draft beer or seventy-two ounces (72
8 oz.) of mixed beverages containing not more than nine ounces (9 oz.) of distilled spirits in growlers,
9 bottles, or other containers sealed in such a way as to prevent re-opening without obvious evidence
10 that the seal was removed or broken, provided such sales shall be made in accordance with § 1.4.10
11 of the department of business regulation (DBR) liquor control administration regulations, 230-
12 RICR-30-10-1, and any other DBR regulations.

13 (1) ~~[Expires March 1, 2022]~~. Delivery of alcoholic beverages with food from a brewpub
14 licensee is prohibited.

15 SECTION 2. Section 3-7-7 of the General Laws in Chapter 3-7 entitled “Retail Licenses”
16 is hereby amended as follows:

17 **3-7-7. Class B license.**

18 (a)(1) A retailer's Class B license is issued only to a licensed bona fide tavern keeper or
19 victualer whose tavern or victualing house may be open for business and regularly patronized at
20 least from nine o'clock (9:00) a.m. to seven o'clock (7:00) p.m. provided no beverage is sold or
21 served after one o'clock (1:00) a.m., nor before six o'clock (6:00) a.m. Local licensing boards may
22 fix an earlier closing time within their jurisdiction, at their discretion. The East Greenwich town
23 council may, in its discretion, issue full and limited Class B licenses which may not be transferred,
24 but which shall revert to the town of East Greenwich if not renewed by the holder. The Cumberland
25 town council may, in its discretion, issue full and limited Class B licenses which may not be
26 transferred to another person or entity, or to another location, but which shall revert to the town of
27 Cumberland if not renewed by the holder.

28 The Pawtucket city council may, in its discretion, issue full and limited Class B licenses
29 which may not be transferred to another person or entity, or to another location, but which shall
30 revert to the city of Pawtucket if not renewed by the holder. This legislation shall not affect any
31 Class B license holders whose licenses were issued by the Pawtucket city council with the right to
32 transfer.

33 (2) The license authorizes the holder to keep for sale and sell beverages including beer in
34 cans, at retail at the place described and to deliver them for consumption on the premises or place

1 where sold, but only at tables or a lunch bar where food is served. It also authorizes the charging
2 of a cover, minimum, or door charge. The amount of the cover, or minimum, or door charge is
3 posted at the entrance of the establishments in a prominent place.

4 (i) ~~[Expires March 1, 2022]~~. A holder of a Class B license will be permitted to sell, with
5 take-out food orders, up to two (2) seven hundred fifty millimeter (750 ml) bottles of wine or the
6 equivalent volume of wine in smaller factory sealed containers, or seventy-two ounces (72 oz.) of
7 mixed wine-based drinks or single-serving wine in containers sealed in such a way as to prevent
8 re-opening without obvious evidence that the seal was removed or broken, one hundred forty-four
9 ounces (144 oz.) of beer or mixed beverages in original factory sealed containers, and one hundred
10 forty-four ounces (144 oz.) of draft beer or seventy-two ounces (72 oz.) of mixed beverages
11 containing not more than nine ounces (9 oz.) of distilled spirits in growlers, bottles, or other
12 containers sealed in such a way as to prevent re-opening without obvious evidence that the seal was
13 removed or broken, provided such sales shall be made in accordance with § 1.4.10 of the
14 department of business regulation (DBR) liquor control administration regulations, 230-RICR-30-
15 10-1, and any other DBR regulations.

16 (ii) ~~[Expires March 1, 2022]~~. Delivery of alcoholic beverages with food from a Class B
17 licensee is prohibited.

18 (3) Holders of licenses are not permitted to hold dances within the licensed premises unless
19 proper permits have been properly obtained from the local licensing authorities.

20 (4) Any holder of a Class B license may, upon the approval of the local licensing board
21 and for the additional payment of two hundred dollars (\$200) to five hundred dollars (\$500), open
22 for business at twelve o'clock (12:00) p.m. and on Fridays and Saturdays and the night before legal
23 state holidays may close at two o'clock (2:00) a.m. All requests for a two o'clock (2:00) a.m. license
24 shall be advertised by the local licensing board in a newspaper having a circulation in the county
25 where the establishment applying for the license is located.

26 (5) A holder of a retailer's Class B license is allowed to erect signs advertising his or her
27 business and products sold on the premises, including neon signs, and is allowed to light those signs
28 during all lawful business hours, including Sundays and holidays.

29 (6) Notwithstanding the provisions of subsection (a) and/or § 3-7-16.4, a holder of a retail
30 class B and/or class ED license may apply to the municipality in which the licensee is located for
31 a permit to conduct a so-called "Lock-In Event", under the following conditions:

32 (i) A "Lock-In Event" is defined as an event where a specified group of individuals are
33 permitted to remain in a licensed premises after closing hours including, but not limited to, the
34 hours of 1:00 a.m. to 6:00 a.m.

1 (ii) A Lock-In Event must have the approval of the municipal licensing authority pursuant
2 to a permit issued for each such event, subject to such conditions as may attach to the permit. The
3 fee for the permit shall be not less than fifty dollars (\$50.00) nor more than one hundred dollars
4 (\$100). The granting or denial of a Lock-In Event permit shall be in the sole discretion of the
5 municipal licensing authority and there shall be no appeal from the denial of such a permit.

6 (iii) During the entire period of any Lock-In Event, all alcoholic beverages must be secured
7 in place or removed from the public portion of the premises and secured to the satisfaction of the
8 municipality issuing the Lock-In Event permit.

9 (iv) During the Lock-In Event, the establishment shall be exclusively occupied by the
10 Lock-In Event participants and no other patrons shall be admitted to the premises who are not
11 participants. It shall be a condition of the permit that participants shall not be admitted more than
12 thirty (30) minutes after the permitted start time of the Lock-In Event, except in the event of
13 unforeseen travel delays, nor permitted to re-enter the event if they leave the licensed premises.

14 (v) As part of the Lock-In Event, food shall be served.

15 (vi) The municipal licensing authority may, in its sole discretion, require the presence of a
16 police detail, for some or all of the event, and the number of officers required, if any, shall be
17 determined by the municipality as part of the process of issuing the Lock-In Event permit. The
18 licensee shall be solely responsible for the cost of any such required police detail.

19 (b) The annual license fee for a tavern keeper shall be four hundred dollars (\$400) to two
20 thousand dollars (\$2,000), and for a victualer the license fee shall be four hundred dollars (\$400)
21 to two thousand dollars (\$2,000). In towns with a population of less than two thousand five hundred
22 (2,500) inhabitants, as determined by the last census taken under the authority of the United States
23 or the state, the fee for each retailer's Class B license shall be determined by the town council, but
24 shall in no case be less than three hundred dollars (\$300) annually. If the applicant requests it in his
25 or her application, any retailer's Class B license may be issued limiting the sale of beverages on the
26 licensed premises to malt and vinous beverages containing not more than twenty percent (20%)
27 alcohol by volume, and the fee for that limited Class B license shall be two hundred dollars (\$200)
28 to one thousand five hundred dollars (\$1,500) annually. The fee for any Class B license shall in
29 each case be prorated to the year ending December 1 in every calendar year.

30 (1) Upon the approval and designation of a district or districts within its city or town by
31 the local licensing board, the local licensing board may issue to any holder of a Class B license or
32 a Class ED license, an extended hours permit to extend closing hours on Thursdays, Fridays and
33 Saturdays, the night before a legal state holiday or such other days as determined by the local board,
34 for one hour past such license holder's legal closing time as established by the license holder's

1 license or licenses including, but not limited to, those issued pursuant to subsection (a)(4) of this
2 section. The extended hours permit shall not permit the sale of alcohol during the extended one-
3 hour period and shall prohibit the admittance of new patrons in the establishment during the
4 extended one-hour period. The designation of such district(s) shall be for a duration of not less than
5 six (6) months. Prior to designating any such district, the local licensing authority shall hold a
6 hearing on the proposed designation. The proposed designation shall include the boundaries of the
7 proposed district, the applicable days for the extended hours, and the duration of the designation
8 and the conditions imposed. The proposed designation shall be advertised at least once per week
9 for three (3) weeks prior to the hearing in a newspaper in general circulation in the city or town.
10 The city or town will establish an application process for an extended hours permit for such license
11 holder and may adopt rules and regulations to administer the permit.

12 SECTION 3. Section 21-27-1 of the Rhode Island General Laws in Chapter 21-27 entitled
13 "Sanitation in Food Establishments" is hereby amended to read as follows:

14 **21-27-1. Definitions.**

15 Unless otherwise specifically provided in this chapter, the following definitions apply to
16 this chapter:

17 (1) "Approved" means approved by the director.

18 (2) "Commissary" means ~~a central processing establishment where food is prepared for~~
19 ~~sale or service off the premises or by mobile vendor~~ an operating base location to which a mobile
20 food establishment or transportation vehicle returns regularly for such things as food preparation,
21 food storage, vehicle and equipment cleaning, discharging liquid or solid wastes, refilling water
22 tanks and ice bins.

23 (3) "Cottage food manufacture" means the production in accordance with the requirements
24 of § 21-27-6.2 of allowable foods for retail sale directly to the consumer in a residential kitchen or
25 a rented commercial kitchen licensed by the department.

26 (4) "Cultural heritage education facility" means a facility for up to ten (10) individuals who,
27 for a fee, participate in the preparation and consumption of food, limited to an owner-occupied site
28 documented to be at least one hundred and fifty (150) years old and whose drinking water shall be
29 obtained from an approved source which meets all of the requirements of chapter 46-13.

30 (3) (5) "Department" means the department of health.

31 (4) (6) "Director" means the director of health or the director's duly appointed agents.

32 (5) (7) "Farmers market" means a market where two (2) or more farmers are selling
33 produce exclusively grown on their own farms on a retail basis to consumers. Excluded from this

1 term is any market where farmers or others are selling produce at wholesale and/or any market in
2 which any individual is selling produce not grown on his or her own farm.

3 ~~(6)~~ (8) "Farm home food manufacture" means the production in accordance with the
4 requirements of § 21-27-6.1 of food for retail sale in a residential kitchen on a farm which produces
5 agricultural products for human consumption and the operator of which is eligible for exemption
6 from the sales and use tax in accordance with § 44-18-30(32).

7 ~~(7)~~ (9) "Food" means: (i) articles used for food or drink for people or other animals, (ii)
8 chewing gum, and (iii) articles used for components of any food or drink article.

9 ~~(8)~~ (10) "Food business" means and includes any establishment or place, whether fixed or
10 mobile, where food or ice is held, processed, manufactured, packaged, prepared, displayed, served,
11 transported, or sold.

12 ~~(9)~~ (11) "Food service establishment" means any fixed or mobile restaurant, coffee shop,
13 cafeteria, short-order cafe, luncheonette, grill, tearoom, sandwich shop, soda fountain, tavern; bar,
14 cocktail lounge, night club, roadside stand, industrial feeding establishment, cultural heritage
15 education facility, private, public or nonprofit organization or institution routinely serving food,
16 catering kitchen, commissary or similar place in which food or drink is prepared for sale or for
17 service on the premises or elsewhere, and any other eating or drinking establishment or operation
18 where food is served or provided for the public with or without charge.

19 ~~(10)~~ (12) "Mobile food service unit" means a unit that prepares and/or sells food products
20 for direct consumption.

21 (13) "Operator" in relation to food vending machines means any person who by contract,
22 agreement, lease, rental, or ownership sells food from vending machines.

23 ~~(11)~~ (14) "Person" means any individual, firm, co-partnership, association, or private or
24 municipal corporation.

25 ~~(12)~~ (15) "Processor" means one who combines, handles, manufactures or prepares,
26 packages, and stores food products.

27 ~~(13) "Operator" in relation to food vending machines means any person who by contract,~~
28 ~~agreement, lease, rental, or ownership sells food from vending machines.~~

29 ~~(14)~~ (16) "Retail" means when eighty percent (80%) or more of sales are made directly to
30 consumers.

31 ~~(15)~~ (17) "Retail peddler" means a food business which sells meat, seafood, and dairy
32 products directly to the consumer, house to house or in a neighborhood.

33 ~~(16)~~ (18) "Roadside farmstand" means a stand or location adjacent to a farm where produce
34 grown only on that farm is sold at the time of harvest.

1 ~~(17)~~ (19) "Vending machine site or location" means the room, enclosure, space, or area
2 where one or more vending machines are installed and/or operated.

3 ~~(18)~~ (20) "Warehouse" means a place for the storage of dried, fresh, or frozen food or food
4 products, not including those areas associated within or directly part of a food service establishment
5 or retail market.

6 ~~(19)~~ (21) "Wholesale" means when eighty percent (80%) or more of the business is for
7 resale purposes.

8 ~~(20) "Cultural heritage education facility" means a facility for up to ten (10) individuals
9 who, for a fee, participate in the preparation and consumption of food, limited to an owner-occupied
10 site documented to be at least one hundred fifty (150) years old and whose drinking water shall be
11 obtained from an approved source which meets all of the requirements of chapter 46-13.~~

12 SECTION 4. Chapter 21-27 of the Rhode Island General Laws entitled "Sanitation in Food
13 Establishments" is hereby amended by adding thereto the following section:

14 **21-27-6.2. Cottage food manufacture.**

15 Notwithstanding the other provisions of this chapter, the department of health shall register
16 cottage food manufacture and the sale of the products of cottage food manufacture direct to
17 consumers whether by pickup or delivery within the state, provided that the requirements of this
18 section are met.

19 (1) The cottage food products shall be produced in a kitchen that is on the premises of a
20 home and meets the standards for kitchens as provided for in minimum housing standards, adopted
21 pursuant to chapter 24.2 of title 45 and the Housing Maintenance and Occupancy Code, adopted
22 pursuant to chapter 24.3 of title 45, and in addition the kitchen shall:

23 (i) Be equipped at minimum with either a two (2) compartment sink or a dishwasher that
24 reaches one hundred fifty (150) degrees Fahrenheit after the final rinse and drying cycle and a one
25 compartment sink;

26 (ii) Have sufficient area or facilities, such as portable dish tubs and drain boards, for the
27 proper handling of soiled utensils prior to washing and of cleaned utensils after washing so as not
28 to interfere with safe food handling; equipment, utensils, and tableware shall be air dried;

29 (iii) Have drain boards and food preparation surfaces that shall be of a nonabsorbent,
30 corrosion resistant material such as stainless steel, formica or other chip resistant, nonpitted surface;

31 (iv) Have self-closing doors for bathrooms that open directly into the kitchen;

32 (v) If the home is on private water supply, the water supply must be tested once per year;

33 (vi) Notwithstanding this subsection, the cottage food products may also be produced in a
34 commercial kitchen licensed by the department and is leased or rented by the cottage food registrant

1 provided that a record be maintained as to the dates the commercial kitchen was used and that
2 ingredients used in the production of cottage foods are transported according to applicable food
3 safety standards and regulations promulgated by the department.

4 (2) The cottage food products are prepared and produced ready for sale under the following
5 conditions:

6 (i) Pets are kept out of food preparation and food storage areas at all times;

7 (ii) Cooking facilities shall not be used for domestic food purposes while cottage food
8 products are being prepared;

9 (iii) Garbage is placed and stored in impervious covered receptacles before it is removed
10 from the kitchen, which removal shall be at least once each day that the kitchen is used for cottage
11 food manufacture;

12 (iv) Any laundry facilities which may be in the kitchen shall not be used during cottage
13 food manufacture;

14 (v) Recipe(s) for each cottage food product with all the ingredients and quantities listed,
15 and processing times and procedures, are maintained in the kitchen for review and inspection;

16 (vi) An affixed label that contains:

17 (A) Name, address, and telephone number;

18 (B) The ingredients of the cottage food product, in descending order of predominance by
19 weight or volume;

20 (C) Allergen information, as specified by federal and state labeling requirements, such as
21 milk, eggs, tree nuts, peanuts, wheat, and soybeans; and

22 (D) The following statement printed in at least ten-point type in a clear and conspicuous
23 manner that provides contrast to the background label: "Made by a Cottage Food Business
24 Registrant that is not Subject to Routine Government Food Safety Inspection," unless products
25 have been prepared in a commercial kitchen licensed by the department.

26 (3) Cottage food manufacture shall be limited to the production of baked goods that do not
27 require refrigeration or time/temperature control for safety, including but not limited to:

28 (i) Double crust pies;

29 (ii) Yeast breads;

30 (iii) Biscuits, brownies, cookies, muffins; and

31 (iv) Cakes that do not require refrigeration or temperature-controlled environment; and

32 (v) Other baked goods as defined by the department.

33 (4) Each cottage food manufacturer shall be registered with the department of health and
34 shall require a notarized affidavit of compliance, in any form that the department may require, from

1 the applicant that the requirements of this section have been met and the operation of the kitchen
2 shall be in conformity with the requirements of this section. Prior to the initial registration, each
3 cottage food manufacturer is required to successfully complete a Food Safety Instructor Training
4 Course approved by the department pursuant to § 21-27-11.3. A certificate of registration shall be
5 issued by the department upon the payment of a fee as set forth in § 23-1-54 and the submission of
6 an affidavit of compliance. The certificate of registration shall be valid for one year after the date
7 of issuance; provided, however, that the certificate may be revoked by the director at any time for
8 noncompliance with the requirements of the section. The certificate of registration, with a copy of
9 the affidavit of compliance, shall be kept in the kitchen where the cottage food manufacture takes
10 place. The director of health shall have the authority to develop and issue a standard form for the
11 affidavit of compliance to be used by persons applying for a certificate of registration; the form
12 shall impose no requirements or certifications beyond those set forth in this section and § 21-27-
13 1(6). No certificates of registration shall be issued by the department prior to November 1, 2022.

14 (5) No such operation shall engage in consignment or wholesale sales. The following
15 additional locational sales by any such cottage food operation shall be prohibited: (1) Grocery
16 stores; (2) restaurants; (3) long-term care facilities; (4) group homes; (5) day care facilities; and (6)
17 schools. Advertising and sales by Internet, mail and phone are permissible, provided the cottage
18 food licensee or their designee shall deliver, in person, to the customer within the state.

19 (6) Total annual gross sales for a cottage food operation shall not exceed twenty-five
20 thousand dollars (\$25,000) per calendar year. If annual gross sales exceed the maximum annual
21 gross sales amount allowed, the cottage food registrant shall either obtain food processor license or
22 cease operations. The director of health may request documentation to verify the annual gross sales
23 figure of any cottage food operation.

24 (7) Sales on all cottage foods are subject to applicable sales tax pursuant to § 44-18-7.

25 (8) The director of health or designee may inspect a cottage food operation at any time to
26 ensure compliance with the provisions of this section. Nothing in this section shall be construed to
27 prohibit the director of health or designee of the director from investigating the registered area of a
28 cottage food operation in response to a foodborne illness outbreak, consumer complaint or other
29 public health emergency.

30 SECTION 5. Section 23-1-54 of the Rhode Island General Laws in Chapter 23-1 entitled
31 “Health and Safety” is hereby amended to read as follows:

32 **23-1-54. Fees payable to the department of health.**

33 Fees payable to the department shall be as follows:

34 PROFESSION	RIGL Section	Description of Fee	FEE
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1	Barbers/hairdressers	5-10-10(a)	Renewal application	\$25.00
2	Barbers/hairdressers	5-10-10(a)	Renewal application:	
3	Manicuring		Instructors and manicurists	\$25.00
4	Barbers/hairdressers	5-10-10(b)	Minimum late renewal fee	\$25.00
5	Barbers/hairdressers	5-10-10(b)	Maximum late renewal fee	\$ 100.00
6	Barbers/hairdressers	5-10-11[c]	Application fee	\$25.00
7	Barbers/hairdressers	5-10-11[c]	Application fee: manicuring	
8			Instructors and manicurists	\$25.00
9	Barbers/hairdressers	5-10-13	Demonstrator's permit	\$90.00
10	Barbers/hairdressers	5-10-15	Shop license: initial	\$170.00
11	Barbers/hairdressers	5-10-15	Shop license: renewal	\$170.00
12	Veterinarians	5-25-10	Application fee	\$40.00
13	Veterinarians	5-25-11	Examination fee	\$540.00
14	Veterinarians	5-25-12(a)	Renewal fee	\$580.00
15	Veterinarians	5-25-12[c]	Late renewal fee	\$120.00
16	Podiatrists	5-29-7	Application fee	\$240.00
17	Podiatrists	5-29-11	Renewal fee: minimum	\$240.00
18	Podiatrists	5-29-11	Renewal fee: maximum	\$540.00
19	Podiatrists	5-29-13	Limited registration	\$65.00
20	Podiatrists	5-29-14	Limited registration:	
21			Academic faculty	\$240.00
22	Podiatrists	5-29-14	Application fee:	
23			Renewal maximum	\$440.00
24	Chiropractors	5-30-6	Examination fee:	\$210.00
25	Chiropractors	5-30-7	Examination exemption fee:	\$210.00
26	Chiropractors	5-30-8(b)	Exam Physiotherapy	\$210.00
27	Chiropractors	5-30-8(b)	Exam chiro and physiotherapy	\$210.00
28	Chiropractors	5-30-12	Renewal fee	\$210.00
29	Dentists/dental hygienists	5-31.1-6(d)	Dentist: application fee	\$965.00
30	Dentists/dental hygienists	5-31.1-6(d)	Dental hygienist: application fee	\$65.00
31	Dentists/dental hygienists	5-31.1-6(d)	Reexamination: dentist	\$965.00
32	Dentists/dental hygienists	5-31.1-6(d)	Reexamination: hygienist	\$65.00
33	Dentists/dental hygienists	5-31.1-21(b)	Reinstatement fee dentist	\$90.00
34	Dentists/dental hygienists	5-31.1-21(b)	Reinstatement fee hygienist	\$90.00

1	Dentists/dental hygienists	5-31.1-21(c)	Inactive status: dentist	\$220.00
2	Dentists/dental hygienists	5-31.1-21(c)	Inactive status: hygienist	\$40.00
3	Dentists/dental hygienists	5-31.1-22	Limited registration	\$65.00
4	Dentists/dental hygienists	5-31.1-23[c]	Limited reg: Academic faculty	\$965.00
5	Dentists/dental hygienists	5-31.1-23[c]	Limited reg: Academic faculty renewal	\$500.00
6	Electrolysis	5-32-3	Application fee	\$25.00
7	Electrolysis	5-32-6(b)	Renewal fee	\$25.00
8	Electrolysis	5-32-7	Reciprocal license fee	\$25.00
9	Electrolysis	5-32-17	Teaching license	\$25.00
10	Funeral directors/embalmers	5-33.2-12	Funeral establishment license	\$120.00
11	Funeral services establishments			
12	Funeral directors/embalmers	5-33.2-15	Renewal: funeral/director	\$90.00
13	Funeral services establishments			
14	embalmer			\$30.00
15	Funeral directors/embalmers	5-33.2-12	Funeral branch ofc license	\$90.00
16	Funeral directors/embalmers	5-33.2-13.1	Crematories: application fee	\$120.00
17	Funeral services establishments			
18	Funeral directors/embalmers	5-33.2-15	Renewal: funeral/director	
19	Funeral Svcs establishments			
20	establishment			\$120.00
21	Funeral directors/embalmers	5-33.2-15	Additional branch office	
22	Funeral services Establishments			
23	licenses			\$120.00
24	Funeral directors/embalmers	5-33.2-15	Crematory renewal fee	
25	Funeral svcs establishments			\$120.00
26	Funeral directors/embalmers	5-33.2-15	Late renewal fee	
27	Funeral svcs establishments			
28	(All license types)			\$25.00
29	Funeral directors/embalmers	5-33.2-16(a)	Intern registration fee	
30	Funeral Services establishments			\$25.00
31	Nurses	5-34-12	RN Application fee	\$135.00
32	Nurses	5-34-16	LPN Application fee	\$45.00
33	Nurses	5-34-19	Renewal fee: RN	\$135.00
34	Nurses	5-34-19	Renewal fee: LPN	\$45.00

1	Nurses	5-34-37	RNP application fee	\$80.00
2	Nurses	5-34-37	RNP renewal fee	\$80.00
3	Nurses	5-34-37	RNP prescriptive privileges	\$65.00
4	Nurses	5-34-40.3	Clin nurse spec application	\$80.00
5	Nurses	5-34-40.3	Clin nurse spec renewal	\$80.00
6	Nurses	5-34-40.3	Clin nurse spec Rx privilege	\$65.00
7	Nurse anesthetists	5-34.2-4(a)	CRNA application fee	\$80.00
8	Nurse anesthetists	5-34.2-4(b)	CRNA renewal fee	\$80.00
9	Optometrists	5-35.1-4	Application fee	\$280.00
10	Optometrists	5-35.1-7	Renewal fee	\$280.00
11	Optometrists	5-35.1-7	Late fee	\$90.00
12	Optometrists	5-35.1-7	Reactivation of license fee	\$65.00
13	Optometrists	5-35.1-19(b)	Violations of section	\$650.00
14	Optometrists	5-35.1-20	Violations of chapter	\$260.00
15	Opticians	5-35.2-3	Application fee	\$30.00
16	Physicians	5-37-2	Application fee	\$1,090.00
17	Physicians	5-37-2	Re-examination fee	\$1,090.00
18	Physicians	5-37-10(b)	Late renewal fee	\$170.00
19	Physicians	5-37-16	Limited registration fee	\$65.00
20	Physicians	5-37-16.1	Ltd reg: academic faculty	\$600.00
21	Physicians	5-37-16.1	Ltd reg: Faculty renewal	\$170.00
22	Acupuncture	5-37.2-10	Application fee	\$310.00
23	Acupuncture	5-37.2-13(4)	Acupuncture assistant	\$310.00
24			Licensure fee	\$170.00
25	Social workers	5-39.1-9	Application fee	\$70.00
26	Social workers	5-39.1-9	Renewal fee	\$70.00
27	Physical therapists	5-40-8	Application fee	\$155.00
28	Physical therapists	5-40-8.1	Application: physical therapy assistants	\$50.00
29	Physical therapists	5-40-10(a)	Renewal fee: Physical therapists	\$155.00
30	Physical therapists	5-40-10(a)	Renewal fee: Physical therapy assistants	\$50.00
31	Physical therapists	5-40-10[c]	Late renewals	\$50.00
32	Occupational therapists	5-40.1-12(2)	Renewal fee	\$140.00
33	Occupational therapists	5-40.1-12(5)	Late renewal fee	\$50.00
34	Occupational therapists	5-40.1-12(b)	Reactivation fee	\$140.00

1	Occupational therapists	5-40.1-13	Application fee	\$140.00
2	Psychologists	5-44-12	Application fee	\$230.00
3	Psychologists	5-44-13	Temporary permit	\$120.00
4	Psychologists	5-44-15[c]	Renewal fee	\$230.00
5	Psychologists	5-44-15(e)	Late renewal fee	\$50.00
6	Nursing home administrators	5-45-10	Renewal fee	\$160.00
7	Speech pathologist/audiologists	5-48-1(14)	Speech lang support personnel:	
8			late filing	\$90.00
9	Speech pathologist/audiologists	5-48-9(a)	Application fee: Audiologist	\$65.00
10	Speech pathologist/audiologists	5-48-9(a)	Application fee: Speech Pathologist	\$145.00
11	Speech pathologist/audiologists	5-48-9(a)	Renewal fee: Audiologist	\$65.00
12	Speech pathologist/audiologists	5-48-9(a)	Renewal fee: Speech Pathologist	\$145.00
13	Speech pathologist/audiologists	5-48-9(a)	Provisional license: renewal fee	\$65.00
14	Speech pathologist/audiologists	5-48-9(b)	Late renewal fee	\$50.00
15	Speech pathologist/audiologists	5-48-9(d)(1)	Reinstatement fee: audiologist	\$65.00
16	Speech pathologist/audiologists	5-48-9(d)(1)	Reinstatement fee: audiologist	\$65.00
17			speech pathologists	\$145.00
18			personnel: late filing	\$65.00
19	Hearing aid dealers/fitters	5-49-6(a)	License endorsement Examination fee	\$25.00
20	Hearing aid dealers/fitters	5-49-6(b)	Temporary permit fee	\$25.00
21	Hearing aid dealers/fitters	5-49-6(d)	Temporary permit renewal fee	\$35.00
22	Hearing aid dealers/fitters	5-49-11(a)(1)	License fee	\$25.00
23	Hearing aid dealers/fitters	5-49-11(b)	License renewal fee	\$25.00
24	Hearing aid dealers/fitters	5-49-11[c]	License renewal late fee	\$25.00
25	Physician assistants	5-54-9(4)	Application fee	\$110.00
26	Physician assistants	5-54-11(b)	Renewal fee	\$110.00
27	Orthotics/prosthetic practice	5-59.1-5	Application fee	\$120.00
28	Orthotics/prosthetic practice	5-59.1-12	Renewal fee	\$120.00
29	Athletic trainers	5-60-11	Application fee	\$60.00
30	Athletic trainers	5-60-11	Renewal fee	\$60.00
31	Athletic trainers	5-60-11	Late renewal fee	\$25.00
32	Mental health counselors			
33	Marriage and family therapists	5-63.2-16	Application fee: Marriage	
34			Family therapist	\$130.00

1	Mental health counselors			
2	Marriage and family therapists	5-63.2-16	Application fee: Mental	
3			health counselors	\$70.00
4	Mental health counselors			
5	Marriage and family therapists	5-63.2-16	Reexamination fee:	
6			Marriage/family therapist	\$130.00
7	Mental health counselors			
8	Marriage and family therapists	5-63.2-16	Reexamination fee:	
9			Mental health counselors	\$70.00
10	Mental health counselors			
11	Marriage and family therapists	5-63.2-17(a)	Renewal fee: Marriage	
12			Family therapist	\$130.00
13	Mental health counselors			
14	Marriage and family therapists	5-63.2-17(a)	Renewal fee: Mental	
15			health counselors	\$50.00
16	Mental health counselors			
17	Marriage and family therapists	5-63.2-17(b)	Late Renewal fee:	
18			Marriage Family therapist	\$90.00
19	Dieticians/nutritionists	5-64-6(b)	Application fee	\$75.00
20	Dieticians/nutritionists	5-64-7	Graduate status:	
21			Application fee:	\$75.00
22	Dieticians/nutritionists	5-64-8	Renewal fee	\$75.00
23	Dieticians/nutritionists	5-64-8	Reinstatement fee	\$75.00
24	Radiologic technologists	5-68.1-10	Application fee maximum	\$190.00
25	Licensed chemical			
26	dependency professionals	5-69-9	Application fee	\$75.00
27	Licensed chemical			
28	dependency professionals	5-69-9	Renewal fee	\$75.00
29	Licensed chemical	5-69-9	Application fee	\$75.00
30	Licensed chemical			
31	dependency professionals	5-69-9	Application fee	\$75.00
32	Licensed chemical			
33	dependency professionals	5-69-9	Renewal fee	\$75.00
34	Deaf interpreters	5-71-8(a)(3)	License fee maximum	\$25.00

1	Deaf interpreters	5-71-8(a)(3)	License renewal fee	\$25.00
2	Milk producers	21-2-7(g)(1)	In-state milk processor	\$160.00
3	Milk producers	21-2-7(g)(2)	Out-of-state milk processor	\$160.00
4	Milk producers	21-2-7(g)(3)	Milk distributors	\$160.00
5	Frozen desserts	21-9-3(1)	In-state wholesale	\$550.00
6	Frozen desserts	21-9-3(2)	Out-of-state wholesale	\$160.00
7	Frozen desserts	21-9-3(3)	Retail frozen dess processors	\$160.00
8	Meats	21-11-4	Wholesale	\$160.00
9	Meats	21-11-4	Retail	\$40.00
10	Shellfish packing houses	21-14-2	License fee: Shipper/reshipper	\$320.00
11	Shellfish packinghouses	21-14-2	License fee:Shucker packer/repacker	\$390.00
12	Non-alcoholic bottled			
13	beverages, drinks & juices	21-23-2	Bottler permit	\$550.00
14	Non-alcoholic bottled			
15	beverages, drinks & juices	21-23-2	Bottle apple cider fee	\$60.00
16	Farm home food manufacturers	21-27-6.1(4)	Registration fee	\$65.00
17	<u>Cottage Food Manufacturers</u>	<u>21-27-6.2(4)</u>	<u>Registration fee</u>	<u>\$65.00</u>
18	Food businesses	21-27-10(e)(1)	Food processors wholesale	\$300.00
19	Food businesses	21-27-10(e)(2)	Food processors retail	\$120.00
20	Food businesses	21-27-10(e)(3)	Food service establishments	
21			50 seats or less	\$160.00
22	Food businesses	21-27-10(e)(3)	Food service establishments	
23			more than 50 seats	\$240.00
24	Food businesses	21-27-10(e)(3)	Mobile food service units	\$100.00
25	Food businesses	21-27-10(e)(3)	Industrial caterer or food vending	
26			Machine commissary	\$280.00
27	Food businesses	21-27-10(e)(3)	Cultural heritage educational Faculty	\$80.00
28	Food businesses	21-27-10(e)(4)	Vending Machine	
29			Location 3 units or less	\$50.00
30	Food businesses	21-27-10(e)(4)	Vending Machine	
31			Location 4-10 units	\$100.00
32	Food businesses	21-27-10(e)(4)	Vending Machine	
33			Location = 11 units	\$120.00
34	Food businesses	21-27-10(e)(5)	Retail Mkt 1-2 cash registers	\$120.00

1	Food businesses	21-27-10(e)(5)	Retail Market 3-5 cash registers	\$240.00
2	Food businesses	21-27-10(e)(5)	Retail Market =6 cash registers	\$510.00
3	Food businesses	21-27-10(e)(6)	Retail food peddler	\$100.00
4	Food businesses	21-27-10(e)(7)	Food warehouses	\$190.00
5	Food businesses	21-27-11.2	Certified food safety mgr	\$50.00
6	License verification fee	23-1-16.1	All license types	\$50.00
7	Tattoo and body piercing	23-1-39	Annual registration fee:Person	\$90.00
8	Tattoo and body piercing	23-1-39	Annual registration fee:Establishment	\$90.00
9	Vital records	23-3-25(a)(1)	Certificate of birth, fetal death, death,	
10			marriage, birth, or certification that	
11			such record cannot be found	\$20.00
12	Vital records	23-3-25(a)(1)	Each duplicate of certificate of birth,	
13			fetal death, death, marriage, birth, or	
14			certification that such record cannot	
15			be found	\$15.00
16	Vital records	23-3-25(a)(2)	Each additional calendar year	
17			Search, if within 3 months of original	
18			search and if receipt of original search	
19			presented	\$2.00
20	Vital records	23-3-25(a)(3)	Expedited service	\$7.00
21	Vital records	23-3-25(a)(4)	Adoptions, legitimations,	
22			or Paternity determinations	\$15.00
23	Vital records	23-3-25(a)(5)	Authorized corrections,	
24			Alterations, and additions	\$10.00
25	Vital records	23-3-25(a)(6)	Filing of delayed record and	
26			Examination of documentary Proof	\$20.00
27	Vital records	23-3-25(a)(6)	Issuance of certified copy of a	
28			delayed record	\$20.00
29	Medical Examiner	23-4-13	Autopsy reports	\$40.00
30	Medical Examiner	23-4-13	Cremation certificates	
31			and statistics	\$30.00
32	Medical Examiner	23-4-13	Testimony in civil suits:	
33			Minimum/day	\$650.00
34	Medical Examiner	23-4-13	Testimony in civil suits:	

1			Maximum/day	\$3,250.00
2	Emergency medical technicians	23-4.1-10[c]	Annual fee: ambulance	
3			service maximum	\$540.00
4	Emergency medical technicians	23-4.1-10[c]	Annual fee: vehicle	
5			license maximum	\$275.00
6	Emergency medical technicians	23-4.1-10[c]	Triennial fee: EMT	
7			license maximum	\$120.00
8	Emergency medical technicians	23-4.1-10(c)(2)	Exam fee maximum:	
9			EMT	\$120.00
10	Emergency medical technicians	23-4.1-10(c)(2)	Vehicle inspection Maximum	\$190.00
11	Clinical laboratories	23-16.2-4(a)	Clinical laboratory	
12			license per specialty	\$650.00
13	Clinical laboratories	23-16.2-4(a)	Laboratory station	
14			license	\$650.00
15	Clinical laboratories	23-16.2-4(b)	Permit fee	\$70.00
16	Health care facilities	23-17-38	Hospital: base fee annual	\$16,900.00
17	Health care facilities	23-17-38	Hospital: annual per bed fee	\$120.00
18	Health care facilities	23-17-38	ESRD: annual fee	\$3,900.00
19	Health care facilities	23-17-38	Home nursing-care/	
20			home- care providers	\$650.00
21	Health care facilities	23-17-38	OACF: annual fee	\$650.00
22	Assisted living residences/			
23	administrators	23-17.4-15.2(d)	License application fee:	\$220.00
24	Assisted living residences/			
25	administrators	23-17.4-15.2(d)	License renewal fee:	\$220.00
26	Assisted living			
27	residences	23-17.4-31	Annual facility fee:base	\$330.00
28	Assisted living			
29	residences	23-17.4-31	Annual facility per bed	\$70.00
30	Nursing assistant			
31	registration	23-17.9-3	Application: competency	
32			evaluation training program maximum	\$325.00
33	Nursing assistant			
34	registration	23-17.9-5	Application fee	\$35.00

1	Nursing assistant			
2	registration	23-17.9-5	Exam fee: skills proficiency	\$170.00
3	Nursing assistant			
4	registration	23-17.9-6	Registration fee	\$35.00
5	Nursing assistant			
6	registration	23-17.9-7	Renewal fee	\$35.00
7	Sanitarians	23-19.3-5(a)	Registration fee	\$25.00
8	Sanitarians	23-19.3-5(b)	Registration renewal	\$25.00
9	Massage therapy	23-20.8-3(e)	Massage therapist appl fee	\$65.00
10	Massage therapy	23-20.8-3(e)	Massage therapist renewal fee	\$65.00
11	Recreational facilities	23-21-2	Application fee	\$160.00
12	Swimming pools	23-22-6	Application license: first pool	\$250.00
13	Swimming pools	23-22-6	Additional pool fee at same location	\$75.00
14	Swimming pools	23-22-6	Seasonal application license: first pool	\$150.00
15	Swimming pools	23-22-6	Seasonal additional	
16			pool fee at same location	\$75.00
17	Swimming pools	23-22-6	Year-round license for non-profit	\$25.00
18	Swimming pools	23-22-10	Duplicate license	\$2.00
19	Swimming pools	23-22-12	Penalty for violations	\$50.00
20	Respiratory care practitioners	23-39-11	Application fee	\$60.00
21	Respiratory care practitioners	23-39-11	Renewal fee	\$60.00

22 SECTION 6. Sections 42-64.33-2, 42-64.33-3, 42-64.33-4, 42-64.33-5, 42-64.33-9, and
23 42-64.33-10 of the General Laws in Chapter 42-64.33 entitled "The Rhode Island Small Business
24 Development Fund" are hereby amended to read as follows:

25 **42-64.33-2. Definitions.**

26 (a) As used in this chapter:

27 (1) "Affiliate" means an entity that directly, or indirectly, through one or more
28 intermediaries, controls, or is controlled by, or is under common control with another entity. For
29 the purposes of this chapter, an entity is "controlled by" another entity if the controlling entity holds,
30 directly or indirectly, the majority voting or ownership interest in the controlled entity or has control
31 over the day-to-day operations of the controlled entity by contract or by law.

32 (2) "Applicable percentage" means zero percent (0%) for the first three (3) credit allowance
33 dates, and up to twenty-one and one-half percent (21.5%) for the fourth, fifth, and sixth credit
34 allowance dates.

1 (3) "Capital investment" means any equity or debt investment in a small business
2 development fund by a small business fund investor that:

3 (i) Is acquired after July 5, 2019, at its original issuance solely in exchange for cash;

4 (ii) Has one hundred percent (100%) of its cash purchase price used by the small business
5 development fund to make qualified investments in eligible businesses located in this state within
6 three (3) years of the initial credit allowance date; and

7 (iii) Is designated by the small business development fund as a capital investment under
8 this chapter and is certified by the corporation pursuant to § 42-64.33-4. This term shall include
9 any capital investment that does not meet the provisions of § 42-64.33-4(a) if the investment was
10 a capital investment in the hands of a prior holder.

11 (4) "Corporation" means the Rhode Island commerce corporation.

12 (5) "Credit allowance date" means the date on which a capital investment is made and each
13 of the five (5) anniversary dates of the date thereafter.

14 (6) "Eligible business" means a business that, at the time of the initial qualified investment
15 in the company:

16 (i) Has less than two hundred fifty (250) employees;

17 (ii) Has not more than fifteen million dollars (\$15,000,000) in net income from the
18 preceding tax year;

19 (iii) Has its principal business operations in this state; and

20 (iv) Is engaged in industries related to clean energy, biomedical innovation, life sciences,
21 information technology, software, cyber physical systems, cybersecurity, data analytics, defense,
22 shipbuilding, maritime, composites, advanced business services, design, food, manufacturing,
23 transportation, distribution, logistics, arts, education, hospitality, tourism, or, if not engaged in the
24 industries, the corporation makes a determination that the investment will be beneficial to the
25 economic growth of the state.

26 (7) "Eligible distribution" means, [as approved by the corporation in relation to an](#)
27 [application](#):

28 (i) A distribution of cash to one or more equity owners of a small business fund investor to
29 fully or partially offset a projected increase in the owner's federal or state tax liability, including
30 any penalties and interest, related to the owner's ownership, management, or operation of the small
31 business fund investor;

32 (ii) A distribution of cash as payment of interest and principal on the debt of the small
33 business fund investor or small business development fund; or

1 (iii) A distribution of cash related to the reasonable costs and expenses of forming,
2 syndicating, managing, and operating the small business fund investor or the small business
3 development fund, or a return of equity or debt to affiliates of a small business fund investor or
4 small business development fund. The distributions may include reasonable and necessary fees paid
5 for professional services, including legal and accounting services, related to the formation and
6 operation of the small business development fund.

7 (8) "Jobs created" means a newly created position of employment that was not previously
8 located in the state at the time of the qualified investment in the eligible business and requiring a
9 minimum of thirty five (35) hours worked each week, measured each year by subtracting the
10 number of full-time, thirty-five hours-per-week (35) employment positions at the time of the initial
11 qualified investment in the eligible business from the monthly average of full-time, thirty-five
12 hours-per-week (35) employment positions for the applicable year. The number shall not be less
13 than zero.

14 (9) "Jobs retained" means a position requiring a minimum of thirty-five (35) hours worked
15 each week that existed prior to the initial qualified investment. Retained jobs shall be counted each
16 year based on the monthly average of full-time, thirty-five hours-per-week (35) employment
17 positions for the applicable year. The number shall not exceed the initial amount of retained jobs
18 reported and shall be reduced each year if employment at the eligible business concern drops below
19 that number.

20 (10) "Minority business enterprise" means an eligible business which is certified by the
21 Rhode Island office of diversity, equity and opportunity as being a minority or women business
22 enterprise.

23 (11) "Principal business operations" means the location where at least sixty percent (60%)
24 of a business's employees work or where employees who are paid at least sixty percent (60%)
25 percent of the business's payroll work. A business that has agreed to relocate employees using the
26 proceeds of a qualified investment to establish its principal business operations in a new location
27 shall be deemed to have its principal business operations in the new location if it satisfies these
28 requirements no later than one hundred eighty (180) days after receiving a qualified investment.

29 (12) "Purchase price" means the amount paid to the small business development fund that
30 issues a capital investment that shall not exceed the amount of capital investment authority certified
31 pursuant to § 42-64.33-4.

32 (13) "Qualified investment" means any investment in an eligible business or any loan to an
33 eligible business with a stated maturity date of at least one year after the date of issuance, excluding
34 revolving lines of credit and senior secured debt unless the eligible business has a credit refusal

1 letter or similar correspondence from a depository institution or a referral letter or similar
2 correspondence from a depository institution referring the business to a small business development
3 fund; provided that, with respect to any one eligible business, the maximum amount of investments
4 made in the business by one or more small business development funds, on a collective basis with
5 all of the businesses' affiliates, with the proceeds of capital investments shall be twenty percent
6 (20%) of the small business development fund's capital investment authority, exclusive of
7 investments made with repaid or redeemed investments or interest or profits realized thereon. An
8 eligible business, on a collective basis with all of the businesses' affiliates, is prohibited from
9 receiving more than four million dollars (\$4,000,000) in investments from one or more small
10 business development funds with the proceeds of capital investments.

11 (14) "Small business development fund" means an entity certified by the corporation under
12 § 42-64.33-4.

13 (15) "Small business fund investor" means an entity that makes a capital investment in a
14 small business development fund.

15 (16) "State" means the state of Rhode Island.

16 (17) "State tax liability" means any liability incurred by any entity under ~~§ 44-17-1 et seq.~~
17 [chapters 11, 13, 14, 17 and 30, of title 44.](#)

18 **42-64.33-3. Tax credit established.**

19 (a) Upon making a capital investment in a small business development fund, a small
20 business fund investor earns a vested right to a credit against the entity's state tax liability that may
21 be utilized on each credit allowance date of the capital investment in an amount equal to the
22 applicable percentage for the credit allowance date multiplied by the purchase price paid to the
23 small business development fund for the capital investment. The amount of the credit claimed by
24 any entity shall not ~~exceed~~ [reduce](#) the amount of the entity's state tax liability for the tax year for
25 which the credit is claimed [beyond the entity's state minimum tax](#). Any amount of credit that an
26 entity is prohibited from claiming in a taxable year as a result of this section may be carried forward
27 for a period of seven (7) years. It is the intent of this chapter that an entity claiming a credit under
28 this section is not required to pay any additional tax that may arise as a result of claiming the credit.

29 (b) No credit claimed under this section shall be refundable ~~or saleable on the open market.~~
30 Credits earned by or allocated to a partnership, limited liability company, or S corporation may be
31 allocated to the partners, members, or shareholders of the entity for their direct use for state tax
32 liability as defined in this chapter in accordance with the provisions of any agreement among the
33 partners, members, or shareholders, and a small business development fund must notify the
34 corporation of the names of the entities that are eligible to utilize credits pursuant to an allocation

1 of credits or a change in allocation of credits or due to a transfer of a capital investment upon the
2 allocation, change, or transfer. ~~The allocation shall be not considered a sale for purposes of this~~
3 ~~section.~~ Credits may be assigned, transferred, conveyed or sold by an owner or holder of such
4 credits.

5 (c) The corporation shall provide copies of issued certificates to the division of taxation;
6 such certificates shall include information deemed necessary by the division of taxation for tax
7 administration.

8 **42-64.33-4. Application, approval and allocations.**

9 (a) The corporation shall publicly solicit applicants and approve applications through a
10 selection process. A small business development fund that seeks to have an equity or debt
11 investment certified as a capital investment and eligible for credits under this chapter shall apply to
12 the corporation ~~The corporation shall begin accepting applications within ninety (90) days of July~~
13 ~~5, 2019.~~ in response to a public solicitation. The ~~small business development fund~~ application shall
14 include the following:

15 (1) The amount of capital investment requested;

16 (2)(A) A copy of the applicant's or an affiliate of the applicant's license as a rural business
17 investment company under 7 U.S.C. § 2009cc, or as a small business investment company under
18 15 U.S.C. § 681, and a certificate executed by an executive officer of the applicant attesting that
19 the license remains in effect and has not been revoked; or (B) evidence satisfactory to the
20 corporation that the applicant is a mission-oriented community financial institution such as a
21 community development financial institution, minority depository institution, certified
22 development company, microloan intermediary, or an organization with demonstrated experience
23 of making capital investments in small businesses.

24 (3) ~~Evidence that, as of the date the application is submitted, the applicant or affiliates of~~
25 ~~the applicant have invested at least one hundred million dollars (\$100,000,000) in nonpublic~~
26 ~~companies;~~

27 ~~(4)~~ An estimate of the number of jobs that will be created or retained in this state as a result of the
28 applicant's qualified investments;

29 ~~(45)~~ A business plan that includes a strategy for reaching out to and investing in minority
30 business enterprises and a revenue impact assessment projecting state and local tax revenue to be
31 generated by the applicant's proposed qualified investment prepared by a nationally recognized,
32 third-party, independent economic forecasting firm using a dynamic economic forecasting model
33 that analyzes the applicant's business plan over the ten (10) years following the date the application
34 is submitted to the corporation; ~~and~~

1 (6) A nonrefundable application fee ~~of five thousand dollars (\$5,000),~~ which fee shall be
2 set by regulation; and

3 (6) Such other criteria as the corporation deems appropriate.

4 (b) ~~Within thirty (30) days after receipt of a completed application, the corporation shall~~
5 ~~grant or deny the application in full or in part.~~ After the close of a public solicitation period, the
6 corporation shall make a determination based upon the criteria set forth in the application or any
7 supplementary materials or information requested by the corporation as to which of the qualified
8 applicants, if any, shall receive an award of tax credits. The corporation shall deny the application
9 if:

10 (1) The applicant does not satisfy all of the criteria described in subsection (a) of this
11 section;

12 (2) The revenue impact assessment submitted with the application does not demonstrate
13 that the applicant's business plan will result in a positive economic impact on this state over a ten-
14 year (10) period that exceeds the cumulative amount of tax credits that would be issued to the
15 applicant if the application were approved; or

16 (3) The corporation has already approved the maximum amount of capital investment
17 authority under subsection (g) of this section.

18 (c) If the corporation denies ~~any part of the~~ application, it shall inform the applicant of the
19 grounds for the denial. ~~If the applicant provides any additional information required by the~~
20 ~~corporation or otherwise completes its application within fifteen (15) days of the notice of denial,~~
21 ~~the application shall be considered completed as of the original date of submission. If the applicant~~
22 ~~fails to provide the information or fails to complete its application within the fifteen day (15)~~
23 ~~period, the application remains denied and must be resubmitted in full with a new submission date.~~

24 (d) If the application is ~~deemed to be complete and the applicant deemed to meet all of the~~
25 ~~requirements of subsections (a) and (b)~~ approved, the corporation shall certify the proposed equity
26 or debt investment as a capital investment that is eligible for credits under this chapter, subject to
27 the limitations contained in subsection (g) of this section. The corporation shall provide written
28 notice of the certification to the small business development fund.

29 (e) ~~The corporation shall certify capital investments in the order that the applications were~~
30 ~~received by the corporation. Applications received on the same day shall be deemed to have been~~
31 ~~received simultaneously.~~

32 (f) ~~For applications that are complete and received on the same day, the corporation shall certify~~
33 ~~applications in proportionate percentages based upon the ratio of the amount of capital investments~~
34 ~~requested in an application to the total amount of capital investments requested in all applications.~~

1 ~~(e)~~ The corporation shall certify no more than sixty-five million dollars (\$65,000,000) in capital
2 investments pursuant to this section; provided that not more than twenty million dollars
3 (\$20,000,000) may be allocated to any individual small business development fund certified under
4 this section.

5 ~~(f)~~ Within sixty (60) days of the applicant receiving notice of certification, the small
6 business development fund shall issue the capital investment to and receive cash in the amount of
7 the certified amount from a small business fund investor. At least forty-five percent (45%) of the
8 small business fund investor's capital investment shall be composed of capital raised by the small
9 business fund investor from sources, including directors, members, employees, officers, and
10 affiliates of the small business fund investor, other than the amount of capital invested by the
11 allocatee claiming the tax credits in exchange for the allocation of tax credits; ~~provided that at least~~
12 ~~ten percent (10%) of the capital investment shall be derived from the small business investment~~
13 ~~fund's managers~~. The small business development fund shall provide the corporation with evidence
14 of the receipt of the cash investment within sixty-five (65) days of the applicant receiving notice of
15 certification. If the small business development fund does not receive the cash investment and issue
16 the capital investment within the time period following receipt of the certification notice, the
17 certification shall lapse and the small business development fund shall not issue the capital
18 investment without reapplying to the corporation for certification. Lapsed certifications revert to
19 the authority and shall be reissued ~~pro rata to applicants whose capital investment allocations were~~
20 ~~reduced pursuant to this chapter and then~~ in accordance with the application process.

21 **42-64.33-5. Tax credit recapture and exit.**

22 (a) The corporation, working in coordination with the division of taxation, may recapture,
23 from ~~any the~~ entity ~~claims a credit on a tax return~~ that receives a tax credit certificate as a result of
24 certification or the partners, members, or shareholders of the entity to whom a tax credit is allocated,
25 the credit allowed under this chapter if:

26 (1) The small business development fund does not invest one hundred (100%) percent of
27 its capital investment authority in qualified investments in this state within three (3) years of the
28 first credit allowance date;

29 (2) The small business development fund, after satisfying subsection (a)(1) of this section,
30 fails to maintain qualified investments equal to one hundred (100%) percent of its capital
31 investment authority until the sixth anniversary of the initial credit allowance date. For the purposes
32 of this subsection, a qualified investment is considered maintained even if the qualified investment
33 was sold or repaid so long as the small business development fund reinvests an amount equal to the
34 capital returned or recovered by the small business development fund from the original investment,

1 exclusive of any profits realized, in other qualified investments in this state within twelve (12)
2 months of the receipt of the capital. Amounts received periodically by a small business
3 development fund shall be treated as continually invested in qualified investments if the amounts
4 are reinvested in one or more qualified investments by the end of the following calendar year. A
5 small business development fund shall not be required to reinvest capital returned from qualified
6 investments after the fifth anniversary of the initial credit allowance date, and the qualified
7 investments shall be considered held continuously by the small business development fund through
8 the sixth anniversary of the initial credit allowance date;

9 (3) The small business development fund, before exiting the program in accordance with
10 subsection (ef) of this section, makes a distribution or payment that results in the small business
11 development fund having less than one hundred percent (100%) of its capital investment authority
12 invested in qualified investments in this state or available for investment in qualified investments
13 and held in cash and other marketable securities;

14 (4) The small business development fund, before exiting the program in accordance with
15 subsection (ef) of this section, fails to make qualified investments in minority business enterprises
16 that when added together equal at least ten percent (10%) of the small business development fund's
17 capital investment authority; or

18 (5) The small business development fund violates subsection (de) of this section.

19 (b) Recaptured credits and the related capital investment authority revert to the corporation
20 and shall be reissued ~~pro-rata to applicants whose capital investment allocations were reduced~~
21 ~~pursuant to § 42-64.33-4(f) and then~~ in accordance with the application process.

22 (c) Enforcement of each of the recapture provisions of subsection (a) of this section shall
23 be subject to a six-month (6) cure period. No recapture shall occur until the small business
24 development fund has been given notice of noncompliance and afforded six (6) months from the
25 date of the notice to cure the noncompliance.

26 (d) In the event that tax credits, or a portion of tax credits, have been transferred or assigned
27 in an arms-length transaction, for value, and without notice of violation, fraud, or
28 misrepresentation, the corporation will pursue its recapture rights and remedies against the
29 applicant for the tax credits and/or the recipient of the certification who shall be liable to repay to
30 the corporation the face value of all tax credits assigned or transferred and all fees paid by the
31 applicant shall be deemed forfeited. No redress shall be sought against assignees or transferees of
32 such tax credits provided the tax credits were acquired by way of an arms-length transaction, for
33 value, and without notice of violation, fraud, or misrepresentation.

1 (e) No eligible business that receives a qualified investment under this chapter, or any
2 affiliates of the eligible business, may directly or indirectly:

3 (1) Own or have the right to acquire an ownership interest in a small business development
4 fund or member or affiliate of a small business development fund, including, but not limited to, a
5 holder of a capital investment issued by the small business development fund; or

6 (2) Loan to or invest in a small business development fund or member or affiliate of a small
7 business development fund, including, but not limited to, a holder of a capital investment issued by
8 a small business development fund, where the proceeds of the loan or investment are directly or
9 indirectly used to fund or refinance the purchase of a capital investment under this chapter.

10 (f) On or after the sixth anniversary of the initial credit allowance date, a small business
11 development fund may apply to the corporation to exit the program and no longer be subject to
12 regulation under this chapter. The corporation shall respond to the exit application within thirty
13 (30) days of receipt. In evaluating the exit application, the fact that no credits have been recaptured
14 and that the small business development fund has not received a notice of recapture that has not
15 been cured pursuant to subsection (c) of this section shall be sufficient evidence to prove that the
16 small business development fund is eligible for exit. The corporation shall not unreasonably deny
17 an exit application submitted under this subsection. If the exit application is denied, the notice shall
18 include the reasons for the determination.

19 (g) If the number of jobs created or retained by the eligible businesses that received
20 qualified investments from the small business development fund, calculated pursuant to reports
21 filed by the small business development fund pursuant to § 42-64.33-7, is:

22 (1) Less than sixty percent (60%) of the amount projected in the approved small business
23 development fund's business plan filed as part of its application for certification under § 42-64.33-
24 4, then the state shall receive thirty percent (30%) of any distribution or payment to an equity or
25 debt holder in an approved small business development fund made after its exit from the program
26 in excess of eligible distributions; or

27 (2) Greater than sixty percent (60%) but less than one hundred percent (100%) of the amount
28 projected in the approved small business development fund's business plan filed as part of its
29 application for certification under § 42-64.33-4, then the state shall receive fifteen percent (15%)
30 of any distribution or payment to an equity or debt holder in an approved small business
31 development fund made after its exit from the program in excess of eligible distributions.

32 (h) At the time a small business development fund applies to the corporation to exit the
33 program, it shall calculate the aggregate internal rate of return of its qualified investments. If the
34 small business development fund's aggregate internal rate of return on its qualified investments at

1 exit exceeds ten percent (10%), then, after eligible distributions, the state shall receive ten percent
2 (10%) of any distribution or payment in excess of the aggregate ten percent (10%) internal rate of
3 return to an equity or debtholder in an approved small business development fund.

4 (hi) The corporation shall not revoke a tax credit certificate after the small business
5 development fund's exit from the program.

6 **42-64.33-9. Rules and regulations.**

7 ~~The corporation and division of taxation may issue reasonable rules and regulations, consistent~~
8 ~~with this chapter, as are necessary to carry out the intent and purpose and implementation of the~~
9 ~~responsibilities under this chapter.~~

10 The corporation in consultation with the division of taxation shall promulgate and adopt
11 rules and regulations pursuant to § 42-35-3 of the general laws, as are necessary to implement this
12 chapter, including, but not limited to: the determination of additional limits; the promulgation of
13 procedures and forms necessary to apply for a tax credit, including the enumeration of the
14 certification procedures; the promulgation of procedures and forms relating to the issuance of tax
15 credit certificates and assignment of credits; and provisions for tax credit applicants to be charged
16 ongoing service fees, to cover the administrative costs related to the tax credit. Further, the division
17 of taxation, in consultation with the corporation, may issue rules and regulations for filing,
18 claiming, and applying the credit in the method and manner to be prescribed by the tax
19 administrator.

20 **42-64.33-10. Program integrity.**

21 Program integrity being of paramount importance, the corporation shall establish
22 procedures to ensure ongoing compliance with the terms and conditions of the program established
23 herein, including procedures to safeguard the expenditure of public funds and to ensure that the
24 funds further the objectives of the program.

25 SECTION 7. Section 44-1-7 of the General Laws in Chapter 44-1 entitled "State Tax
26 Officials" is hereby amended to read as follows:

27 **44-1-7. Interest on delinquent payments.**

28 (a) Whenever the full amount of any state tax or any portion or deficiency, as finally
29 determined by the tax administrator, has not been paid on the date when it is due and payable,
30 whether the time has been extended or not, there shall be added as part of the tax or portion or
31 deficiency interest at the rate as determined in accordance with subsection (b) of this section,
32 notwithstanding any general or specific statute to the contrary.

33 (b) Each January 1 the tax administrator shall compute the rate of interest to be in effect
34 for that calendar year by adding two percent (2%) to the prime rate, which was in effect on October

1 1 of the preceding year, except:

2 (1) Before January 1, 2023, in no event shall the rate of interest exceed twenty-one percent
3 (21%) per annum nor be less than eighteen percent (18%) per annum;-

4 (2) On and after January 1, 2023, in no event shall the rate of interest exceed twenty-one
5 percent (21%) per annum nor be less than twelve percent (12%) per annum except:

6 (A) for trust fund taxes as established by §§ 44-19-35 and 44-30-76, in no event shall the
7 rate of interest exceed twenty-one percent (21%) per annum nor be less than eighteen percent (18%)
8 per annum.

9 (c) "Prime rate" as used in subsection (b) of this section means the predominant prime rate
10 quoted by commercial banks to large businesses as determined by the board of governors of the
11 Federal Reserve System.

12 (d) Notwithstanding any provisions of the general laws to the contrary, the tax
13 administrator shall waive interest and penalty on the taxable portion of each Paycheck Protection
14 Program loan taxed pursuant to §§ 44-11-11(a)(1)(iv), 44-14-11, and 44-30-12(b)(8) and forgiven
15 during tax year 2020 provided that the tax on that portion is paid in full on or before March 31,
16 2022. The tax administrator shall make available suitable forms with instructions for making tax
17 payments on the taxable portion of such forgiven Paycheck Protection Program loans.

18 SECTION 8. Chapter 44-1 of the General Laws entitled "State Tax Officials" is hereby
19 amended by adding thereto the following section:

20 **44-1-41. Taxpayer Steward.**

21 (a) There is hereby created within the division of taxation of the department of revenue, a
22 taxpayer steward to:

23 (1) Coordinate the resolution of taxpayer complaints and problems, if so requested by a
24 taxpayer or the taxpayer's duly authorized representative;

25 (2) Provide recommendations to the division of taxation for informational publications and
26 recommended taxpayer and division education programs needed to reduce or eliminate errors or
27 improve voluntary taxpayer compliance;

28 (3) Provide recommendations to the division of taxation for simplification or other
29 improvements needed in tax laws, regulations, forms, systems, and procedures to promote better
30 understanding and voluntary compliance by taxpayers.

31 (b) By October 1, 2023, and each year thereafter, the taxpayer steward shall prepare and
32 submit a report to the tax administrator and the director of the department of revenue summarizing
33 the activities of the steward during the immediately preceding fiscal year, describing any
34 recommendations made pursuant to subsections (2) and (3) of this section, including the progress

1 [in implementing such recommendations, and providing such other information as the division](#)
2 [deems appropriate relating to the rights of taxpayers of this state.](#)

3 SECTION 9. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property
4 Subject to Taxation" is hereby amended to read as follows:

5 **44-3-3. Property exempt. [Effective January 1, 2022.]**

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

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

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

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

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

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

18 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or
19 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
20 owned by, or held in trust for, any religious organization and actually used by its officiating clergy;
21 provided, further, that in the town of Charlestown, where the property previously described in this
22 paragraph is exempt in total, along with dwelling houses and the land on which they stand in
23 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the dwelling
24 house is located, whichever is the greater, owned by, or held in trust for, any religious organization
25 and actually used by its officiating clergy, or used as a convent, nunnery, or retreat center by its
26 religious order;

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

29 (8) Buildings and personal estate owned by any corporation used for a school, academy, or
30 seminary of learning, and of any incorporated public charitable institution, and the land upon which
31 the buildings stand and immediately surrounding them to an extent not exceeding one acre, so far
32 as they are used exclusively for educational purposes, but no property or estate whatever is hereafter
33 exempt from taxation in any case where any part of its income or profits, or of the business carried
34 on there, is divided among its owners or stockholders; provided, however, that unless any private

1 nonprofit corporation organized as a college or university located in the town of Smithfield reaches
2 a memorandum of agreement with the town of Smithfield, the town of Smithfield shall bill the
3 actual costs for police, fire, and rescue services supplied, unless otherwise reimbursed, to said
4 corporation commencing March 1, 2014;

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

9 (10) Property especially exempt by charter unless the exemption has been waived in whole
10 or in part;

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

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

16 (13) Real or personal estate belonging to, or held in trust for, the benefit of incorporated
17 organizations of veterans of any war in which the United States has been engaged, the parent body
18 of which has been incorporated by act of Congress, to the extent of four hundred thousand dollars
19 (\$400,000) if actually used and occupied by the association; provided, that the city council of the
20 city of Cranston may by ordinance exempt the real or personal estate as previously described in
21 this subdivision located within the city of Cranston to the extent of five hundred thousand dollars
22 (\$500,000);

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

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

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

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

12 (18) Improvements made to any real property to provide a shelter and fallout protection
13 from nuclear radiation, to the amount of one thousand five hundred dollars (\$1,500); provided, that
14 the improvements meet applicable standards for shelter construction established, from time to time,
15 by the Rhode Island emergency management agency. The improvements are deemed to comply
16 with the provisions of any building code or ordinance with respect to the materials or the methods
17 of construction used and any shelter or its establishment is deemed to comply with the provisions
18 of any zoning code or ordinance;

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

20 (20) Manufacturer's inventory.

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

31 (ii) For the purposes of this section and §§ 44-4-10 and 44-5-38, the term "manufacturer's
32 inventory," or any similar term, means and includes the manufacturer's raw materials, the
33 manufacturer's work in process, and finished products manufactured by the manufacturer in this
34 state, and not sold, leased, or traded by the manufacturer or its title or right to possession divested;

1 provided, that the term does not include any finished products held by the manufacturer in any retail
2 store or other similar selling place operated by the manufacturer whether or not the retail
3 establishment is located in the same building in which the manufacturer operates the manufacturing
4 plant;

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

16 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
17 "manufacturer" also includes persons who are principally engaged in any of the general activities
18 coded and listed as establishments engaged in manufacturing in the Standard Industrial
19 Classification Manual prepared by the Technical Committee on Industrial Classification, Office of
20 Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as
21 revised from time to time, but eliminating as manufacturers those persons, who, because of their
22 limited type of manufacturing activities, are classified in the manual as falling within the trade
23 rather than an industrial classification of manufacturers. Among those thus eliminated, and
24 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
25 primarily engaged in selling, to the general public, products produced on the premises from which
26 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
27 custom tailors, except, that a person who manufactures bakery products for sale primarily for home
28 delivery, or through one or more non-baking retail outlets, and whether or not retail outlets are
29 operated by the person, is a manufacturer within the meaning of this paragraph;

30 (v) The term "Person" means and includes, as appropriate, a person, partnership, or
31 corporation; and

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

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

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

16 (i) Machinery and equipment used exclusively in the actual manufacture or conversion of
17 raw materials or goods in the process of manufacture by a manufacturer, as defined in subdivision
18 (20), and machinery, fixtures, and equipment used exclusively by a manufacturer for research and
19 development or for quality assurance of its manufactured products;

20 (ii) Machinery and equipment that is partially used in the actual manufacture or conversion
21 of raw materials or goods in process of manufacture by a manufacturer, as defined in subdivision
22 (20), and machinery, fixtures, and equipment used by a manufacturer for research and development
23 or for quality assurance of its manufactured products, to the extent to which the machinery and
24 equipment is used for the manufacturing processes, research and development, or quality assurance.
25 In the instances where machinery and equipment is used in both manufacturing and/or research and
26 development and/or quality assurance activities and non-manufacturing activities, the assessment
27 on machinery and equipment is prorated by applying the percentage of usage of the equipment for
28 the manufacturing, research and development, and quality-assurance activity to the value of the
29 machinery and equipment for purposes of taxation, and the portion of the value used for
30 manufacturing, research and development, and quality assurance is exempt from taxation. The
31 burden of demonstrating this percentage usage of machinery and equipment for manufacturing and
32 for research and development and/or quality assurance of its manufactured products rests with the
33 manufacturer; and

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

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

16 (24) Hydroelectric power-generation equipment, which includes, but is not limited to,
17 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,
18 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The
19 hydroelectric power-generation equipment must have been purchased after July 1, 1979, and
20 acquired or used by a person or corporation who or that owns or leases a dam and utilizes the
21 equipment to generate hydroelectric power;

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

29 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
30 recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and (iii)), from,
31 or the treatment of "hazardous wastes," as defined in § 23-19.1-4, where the "hazardous wastes"
32 are generated primarily by the same taxpayer and where the personal property is located at, in, or
33 adjacent to a generating facility of the taxpayer. The taxpayer may, but need not, procure an order
34 from the director of the department of environmental management certifying that the tangible

1 personal property has this function, which order effects a conclusive presumption that the tangible
2 personal property qualifies for the exemption under this subdivision. If any information relating to
3 secret processes or methods of manufacture, production, or treatment is disclosed to the department
4 of environmental management only to procure an order, and is a "trade secret" as defined in § 28-
5 21-10(b), it shall not be open to public inspection or publicly disclosed unless disclosure is
6 otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23;

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

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

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

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

17 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-
18 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited
19 liability company that is formed in connection with, or to facilitate the acquisition of, the properties
20 designated as the Meeting Street National Center of Excellence on Eddy Street in Providence,
21 Rhode Island;

22 (32) The buildings, personal property, and land upon which the buildings stand, located on
23 Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
24 001.00, that consists of approximately twenty-one thousand three hundred (21,300) square feet and
25 is located approximately eight hundred sixty feet (860'), more or less, from the shore, and limited
26 exclusively to these said buildings, personal estate and land, provided that said property is owned
27 by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is used
28 exclusively for a lighthouse;

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

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

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

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

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

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

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

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

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

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

19 (43) The real and personal property owned by a qualified 501(c)(3) organization that is
20 affiliated and in good standing with a national, congressionally chartered organization and thereby
21 adheres to that organization's standards and provides activities designed for recreational,
22 educational, and character building purposes for children from ages six (6) years to seventeen (17)
23 years;

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

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

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

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

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

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

6 (50) Real and personal property located at 415 Tower Hill Road within the town of North
7 Kingstown, of South County Community Action, Inc., a qualified tax-exempt corporation under §
8 501(c)(3) of the United States Internal Revenue Code;

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

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

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

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

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

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

26 (57) Real and personal property located within the town of Middletown of Lucy's Hearth,
27 a Rhode Island nonprofit corporation;

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

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

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

4 (61) Real and personal property of The Samaritans, Inc., a Rhode Island nonprofit §
5 501(c)(3) corporation located at 67 Park Place, Pawtucket, Rhode Island, to the extent the city
6 council of Pawtucket may from time to time determine;

7 (62) Real and personal property of North Kingstown, Exeter Animal Protection League,
8 Inc., dba "Pet Refuge," 500 Stony Lane, a Rhode Island nonprofit corporation, located in North
9 Kingstown, Rhode Island;

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

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

16 (65) Real and tangible personal property of Providence Country Day School, a Rhode
17 Island nonprofit corporation, located in East Providence, Rhode Island and further identified as plat
18 406, block 6, lot 6, and plat 506, block 1, lot 8;

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

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

25 (68) Real property of Ocean State Community Wellness, Inc., a qualified tax-exempt
26 corporation under § 501(c)(3) of the United States Internal Revenue Code, located in North
27 Kingstown, Rhode Island, with a physical address of 7450 Post Road, and further identified as plat
28 108, lot 83;

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

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

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

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

19 A "for-profit hospital facility" includes all real and personal property affiliated with any
20 hospital as identified in an application filed pursuant to chapter 17 or 17.14 of title 23.
21 Notwithstanding the above, a city or town may enter into a stabilization agreement with a for-profit
22 hospital facility under § 44-3-9 or other laws specific to the particular city or town relating to
23 stabilization agreements. In a year in which a nonprofit hospital facility converts to, or otherwise
24 becomes, a for-profit hospital facility, or a for-profit hospital facility is otherwise established, in
25 that year only the amount levied by the city or town and/or the amount payable under the
26 stabilization agreement for that year related to the for-profit hospital facility shall not be counted
27 towards determining the maximum tax levy permitted under § 44-5-2.

28 (c) Notwithstanding any other provision of law to the contrary, in an effort to provide relief
29 for businesses, including small businesses, and to promote economic development, a city, town, or
30 fire district may establish an exemption for tangible personal property within its geographic limits
31 by formal action of the appropriate governing body within the city, town, or fire district, which
32 exemptions shall be uniformly applied and in compliance with local tax classification requirements.
33 Exemptions established pursuant to this subsection shall conform to the requirements of § 44-5-
34 12.2.

1 SECTION 10. Chapter 44-5 of the General Laws entitled " Levy and Assessment of Local
2 Taxes" is hereby amended by adding thereto the following sections:

3 **44-5-11.16. Division of Municipal Finance Classification Exemption Authority**

4 Notwithstanding any other provision of law to the contrary, the Division of Municipal
5 Finance (Division) within the Department of Revenue shall have the authority to grant a one-year
6 exemption to any city or town authorized to have a property tax classification structure under this
7 chapter, where in the absence of such an exemption, the city or town would not be in compliance
8 with its applicable tax classification structure. Any city or town seeking such an exemption shall
9 provide the Division with any documentation that the Division deems necessary to grant an
10 exemption. Such exemption, if approved by the Division, shall be limited to one year. The city or
11 town, if granted such an exemption, shall be required to either have applicable state legislation
12 approved amending the specific section of law for which the exemption was sought or adjust its
13 class tax rates so that the city or town is in compliance for its next fiscal year.

14 **44-5-12.2. Tangible personal property exemption-Tax rate cap.**

15 Notwithstanding any other provision of law to the contrary, the tax rate for the class of
16 property that includes tangible personal property for any city, town, or fire district that also
17 establishes a tangible personal property assessment exemption, pursuant to subsections (a)(51),
18 (a)(66), or (c) of § 44-3-3, § 44-3-47, § 44-3-65, or any other provision of law that enables a city,
19 town, or fire district to establish a tangible personal property assessment exemption, shall be capped
20 at the tax rate in effect for the assessment date immediately preceding the assessment date on which
21 the exemption takes effect or the assessment date immediately following the effective date of this
22 section, whichever is later.

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

25 **44-11-2 Imposition of Tax.**

26 (a) Each corporation shall annually pay to the state a tax equal to nine percent (9%) of net
27 income, as defined in § 44-11-11, qualified in § 44-11-12, and apportioned to this state as provided
28 in §§ 44-11-13 — 44-11-15, for the taxable year. For tax years beginning on or after January 1,
29 2015, each corporation shall annually pay to the state a tax equal to seven percent (7.0%) of net
30 income, as defined in § 44-11-13 — 44-11-15, for the taxable year.

31 (b) A corporation shall pay the amount of any tax as computed in accordance with
32 subsection (a) after deducting from "net income," as used in this section, fifty percent (50%) of the
33 excess of capital gains over capital losses realized during the taxable year, if for the taxable year:

34 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its

1 own behalf and not as a broker, underwriter, or distributor;

2 (2) Its gross receipts derived from these activities during the taxable year amounted to at
3 least ninety percent (90%) of its total gross receipts derived from all of its activities during the year.

4 "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable
5 consideration, received during the taxable year in connection with the conduct of the taxpayer's
6 activities.

7 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
8 income under subsection (a), but shall annually pay to the state a tax equal to ten cents (\$.10) for
9 each one hundred dollars (\$100) of gross income for the taxable year or a tax of one hundred dollars
10 (\$100), whichever tax shall be the greater, if for the taxable year the corporation is either a "personal
11 holding company" registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a-
12 1 et seq., "regulated investment company," or a "real estate investment trust" as defined in the
13 federal income tax law applicable to the taxable year. "Gross income" means gross income as
14 defined in the federal income tax law applicable to the taxable year, plus:

15 (1) Any interest not included in the federal gross income; minus

16 (2) Interest on obligations of the United States or its possessions, and other interest exempt
17 from taxation by this state; and minus

18 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during the
19 taxable year.

20 (d) (1) A small business corporation having an election in effect under subchapter S, 26
21 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except
22 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income
23 that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after
24 January 1, 2015, a small business corporation having an election in effect under subchapter S, 26
25 U.S.C. § 1361 et seq., shall be subject to the minimum tax under § 44-11-2(e).

26 (2) The shareholders of the corporation who are residents of Rhode Island shall include in
27 their income their proportionate share of the corporation's federal taxable income.

28 (3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

29 (4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

30 (e) **Minimum tax.** The tax imposed upon any corporation under this section, including a
31 small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et
32 seq., shall not be less than four hundred fifty dollars (\$450). For tax years beginning on or after
33 January 1, 2017, the tax imposed shall not be less than four hundred dollars (\$400). [For tax years](#)
34 [beginning on or after January 1, 2023, the tax imposed shall not be less than three hundred seventy-](#)

1 [five dollars \(\\$375.00\).](#)

2 SECTION 12. Section 44-18-30 of the General Laws in Chapter 44-18 entitled "Sales and
3 Use Taxes — Liability and Computation" is hereby amended to read as follows:

4 **44-18-30. Gross receipts exempt from sales and use taxes.**

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

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

10 (2) Newspapers.

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

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

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

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

22 (4) Containers.

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

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

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

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

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

34 (ii) As used in this subdivision, the term "returnable containers" means containers of a kind

1 customarily returned by the buyer of the contents for reuse. All other containers are "non-returnable
2 containers."

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

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

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

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

34 (7) Purchase for manufacturing purposes.

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

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

10 (iii) "Consumed" includes mere obsolescence.

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

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

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

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

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

29 For the purposes of this exemption "food and food ingredients" shall not include candy,
30 soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending
31 machines, or prepared food, as those terms are defined in § 44-18-7.1, unless the prepared food is:

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

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

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

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

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

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

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

21 (12) Coffins, caskets, urns, shrouds and burial garments. From the sale and from the
22 storage, use, or other consumption in this state of coffins, caskets, urns, shrouds, and other burial
23 garments that are ordinarily sold by a funeral director as part of the business of funeral directing.

24 (13) Motor vehicles sold to nonresidents.

25 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide nonresident
26 of this state who does not register the motor vehicle in this state, whether the sale or delivery of the
27 motor vehicle is made in this state or at the place of residence of the nonresident. A motor vehicle
28 sold to a bona fide nonresident whose state of residence does not allow a like exemption to its
29 nonresidents is not exempt from the tax imposed under § 44-18-20. In that event, the bona fide
30 nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed
31 in his or her state of residence not to exceed the rate that would have been imposed under § 44-18-
32 20. Notwithstanding any other provisions of law, a licensed motor vehicle dealer shall add and
33 collect the tax required under this subdivision and remit the tax to the tax administrator under the
34 provisions of chapters 18 and 19 of this title. When a Rhode Island licensed, motor vehicle dealer

1 is required to add and collect the sales and use tax on the sale of a motor vehicle to a bona fide
2 nonresident as provided in this section, the dealer in computing the tax takes into consideration the
3 law of the state of the nonresident as it relates to the trade-in of motor vehicles.

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

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

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

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

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

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

34 (18) Educational institutions. From the rental charged by any educational institution for

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

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

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

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

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

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

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

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

32 (22) Manufacturing machinery and equipment.

33 (i) From the sale and from the storage, use, or other consumption in this state of tools, dies,
34 molds, machinery, equipment (including replacement parts), and related items to the extent used in

1 an industrial plant in connection with the actual manufacture, conversion, or processing of tangible
2 personal property, or to the extent used in connection with the actual manufacture, conversion, or
3 processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373
4 in the standard industrial classification manual prepared by the Technical Committee on Industrial
5 Classification, Office of Statistical Standards, Executive Office of the President, United States
6 Bureau of the Budget, as revised from time to time, to be sold, or that machinery and equipment
7 used in the furnishing of power to an industrial manufacturing plant. For the purposes of this
8 subdivision, "industrial plant" means a factory at a fixed location primarily engaged in the
9 manufacture, conversion, or processing of tangible personal property to be sold in the regular
10 course of business;

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

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

25 (iv) Where a portion of a group of portable or mobile machinery is used in connection with
26 the actual manufacture, conversion, or processing of computer software or tangible personal
27 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under
28 this subdivision even though the machinery in that group is used interchangeably and not otherwise
29 identifiable as to use.

30 (23) Trade-in value of motor vehicles. From the sale and from the storage, use, or other
31 consumption in this state of so much of the purchase price paid for a new or used automobile as is
32 allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of
33 the proceeds applicable only to the automobile as are received from the manufacturer of
34 automobiles for the repurchase of the automobile whether the repurchase was voluntary or not

1 towards the purchase of a new or used automobile by the buyer. For the purpose of this subdivision,
2 the word "automobile" means a private passenger automobile not used for hire and does not refer
3 to any other type of motor vehicle.

4 (24) Precious metal bullion.

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

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

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

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

18 (26) Commercial fishing vessels. From the sale and from the storage, use, or other
19 consumption in this state of vessels and other watercraft that are in excess of five (5) net tons and
20 that are used exclusively for "commercial fishing," as defined in this subdivision, and from the
21 repair, alteration, or conversion of those vessels and other watercraft, and from the sale of property
22 purchased for the use of those vessels and other watercraft including provisions, supplies, and
23 material for the maintenance and/or repair of the vessels and other watercraft and the boats nets,
24 cables, tackle, and other fishing equipment appurtenant to or used in connection with the
25 commercial fishing of the vessels and other watercraft. "Commercial fishing" means taking or
26 attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of it for
27 profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence
28 fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include
29 vessels and other watercraft with a Rhode Island party and charter boat license issued by the
30 department of environmental management pursuant to § 20-2-27.1 that meet the following criteria:

31 (i) The operator must have a current United States Coast Guard (U.S.C.G.) license to carry
32 passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)
33 U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island boat
34 registration to prove Rhode Island home port status; and (iv) The vessel must be used as a

1 commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be
2 able to demonstrate that at least fifty percent (50%) of its annual gross income derives from charters
3 or provides documentation of a minimum of one hundred (100) charter trips annually; and (v) The
4 vessel must have a valid Rhode Island party and charter boat license. The tax administrator shall
5 implement the provisions of this subdivision by promulgating rules and regulations relating thereto.

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

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

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

24 (30) Boats.

25 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not
26 register the boat or vessel in this state or document the boat or vessel with the United States
27 government at a home port within the state, whether the sale or delivery of the boat or vessel is
28 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty (30)
29 days after delivery by the seller outside the state for use thereafter solely outside the state.

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

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

6 (32) Farm equipment. From the sale and from the storage or use of machinery and
7 equipment used directly for commercial farming and agricultural production; including, but not
8 limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,
9 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,
10 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and
11 other farming equipment, including replacement parts appurtenant to or used in connection with
12 commercial farming and tools and supplies used in the repair and maintenance of farming
13 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or the
14 production within this state of agricultural products, including, but not limited to, field or orchard
15 crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production
16 provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to the operator,
17 whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July
18 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2) levels. Level I
19 shall be based on proof of annual, gross sales from commercial farming of at least twenty-five
20 hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption provided in this
21 subdivision except for motor vehicles with an excise tax value of five thousand dollars (\$5,000) or
22 greater. Level II shall be based on proof of annual gross sales from commercial farming of at least
23 ten thousand dollars (\$10,000) or greater and shall be valid for purchases subject to the exemption
24 provided in this subdivision including motor vehicles with an excise tax value of five thousand
25 dollars (\$5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount
26 of annual gross sales from commercial farming shall be required for the prior year; for any renewal
27 of an exemption granted in accordance with this subdivision at either level I or level II, proof of
28 gross annual sales from commercial farming at the requisite amount shall be required for each of
29 the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly
30 indicate the level of the exemption and be valid for four (4) years after the date of issue. This
31 exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for
32 a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after
33 July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for
34 registration displaying farm plates as provided for in § 31-3-31.

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

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

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

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

14 (37) Tangible personal property and supplies used in on-site hazardous waste recycling,
15 reuse, or treatment. From the sale, storage, use, or other consumption in this state of tangible
16 personal property or supplies used or consumed in the operation of equipment, the exclusive
17 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as
18 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes," as defined
19 in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the same
20 taxpayer and where the personal property is located at, in, or adjacent to a generating facility of the
21 taxpayer in Rhode Island. The taxpayer shall procure an order from the director of the department
22 of environmental management certifying that the equipment and/or supplies as used or consumed,
23 qualify for the exemption under this subdivision. If any information relating to secret processes or
24 methods of manufacture, production, or treatment is disclosed to the department of environmental
25 management only to procure an order, and is a "trade secret" as defined in § 28-21-10(b), it is not
26 open to public inspection or publicly disclosed unless disclosure is required under chapter 21 of
27 title 28 or chapter 24.4 of title 23.

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

33 (39) Food items paid for by food stamps. From the sale and from the storage, use, or other
34 consumption in this state of eligible food items payment for which is properly made to the retailer

1 in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of 1977,
2 7 U.S.C. § 2011 et seq.

3 (40) Transportation charges. From the sale or hiring of motor carriers as defined in § 39-
4 12-2(12) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed
5 with the Rhode Island public utilities commission on the number of miles driven or by the number
6 of hours spent on the job.

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

12 (42) Equipment used for research and development. From the sale and from the storage,
13 use, or other consumption of equipment to the extent used for research and development purposes
14 by a qualifying firm. For the purposes of this subsection, "qualifying firm" means a business for
15 which the use of research and development equipment is an integral part of its operation and
16 "equipment" means scientific equipment, computers, software, and related items.

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

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

25 (45) Telecommunications carrier access service. Carrier access service or
26 telecommunications service when purchased by a telecommunications company from another
27 telecommunications company to facilitate the provision of telecommunications service.

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

1 repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or vessel.

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

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

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

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

25 (51) Manufacturing business reconstruction materials.

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

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

34 (iii) In the event a manufacturer has more than one manufacturing site in this state, the sixty

1 percent (60%) provision applies to the damages suffered at that one site.

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

4 (52) Tangible personal property and supplies used in the processing or preparation of floral
5 products and floral arrangements. From the sale, storage, use, or other consumption in this state of
6 tangible personal property or supplies purchased by florists, garden centers, or other like producers
7 or vendors of flowers, plants, floral products, and natural and artificial floral arrangements that are
8 ultimately sold with flowers, plants, floral products, and natural and artificial floral arrangements
9 or are otherwise used in the decoration, fabrication, creation, processing, or preparation of flowers,
10 plants, floral products, or natural and artificial floral arrangements, including descriptive labels,
11 stickers, and cards affixed to the flower, plant, floral product, or arrangement, artificial flowers,
12 spray materials, floral paint and tint, plant shine, flower food, insecticide, and fertilizers.

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

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

17 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to
18 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle
19 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this
20 state or at the place of residence of the nonresident; provided that a non-motorized recreational
21 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to
22 its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in
23 that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate
24 that would be imposed in his or her state of residence not to exceed the rate that would have been
25 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed, non-
26 motorized recreational vehicle dealer shall add and collect the tax required under this subdivision
27 and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title.
28 Provided, that when a Rhode Island licensed, non-motorized recreational vehicle dealer is required
29 to add and collect the sales and use tax on the sale of a non-motorized recreational vehicle to a bona
30 fide nonresident as provided in this section, the dealer in computing the tax takes into consideration
31 the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

32 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
33 require any licensed, non-motorized recreational vehicle dealer to keep records of sales to bona fide
34 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption

1 provided in this subdivision, including the affidavit of a licensed, non-motorized recreational
2 vehicle dealer that the purchaser of the non-motorized recreational vehicle was the holder of, and
3 had in his or her possession a valid out-of-state non-motorized recreational vehicle registration or
4 a valid out-of-state driver's license.

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

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

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

21 (56) Aircraft. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-
22 18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other
23 consumption in this state of any new or used aircraft or aircraft parts.

24 (57) Renewable energy products. Notwithstanding any other provisions of Rhode Island
25 general laws, the following products shall also be exempt from sales tax: solar photovoltaic
26 modules or panels, or any module or panel that generates electricity from light; solar thermal
27 collectors, including, but not limited to, those manufactured with flat glass plates, extruded plastic,
28 sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-water and
29 water-to-air type pumps; wind turbines; towers used to mount wind turbines if specified by or sold
30 by a wind turbine manufacturer; DC to AC inverters that interconnect with utility power lines; and
31 manufactured mounting racks and ballast pans for solar collector, module, or panel installation. Not
32 to include materials that could be fabricated into such racks; monitoring and control equipment, if
33 specified or supplied by a manufacturer of solar thermal, solar photovoltaic, geothermal, or wind
34 energy systems or if required by law or regulation for such systems but not to include pumps, fans

1 or plumbing or electrical fixtures unless shipped from the manufacturer affixed to, or an integral
2 part of, another item specified on this list; and solar storage tanks that are part of a solar domestic
3 hot water system or a solar space heating system. If the tank comes with an external heat exchanger
4 it shall also be tax exempt, but a standard hot water tank is not exempt from state sales tax.

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

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

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

12 (61) Agricultural products for human consumption. From the sale and from the storage,
13 use, or other consumption of livestock and poultry of the kinds of products that ordinarily constitute
14 food for human consumption and of livestock of the kind the products of which ordinarily constitute
15 fibers for human use.

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

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

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

25 (65) Seeds and plants used to grow food and food ingredients. From the sale, storage, use,
26 or other consumption in this state of seeds and plants used to grow food and food ingredients as
27 defined in § 44-18-7.1(l)(i). "Seeds and plants used to grow food and food ingredients" shall not
28 include marijuana seeds or plants.

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

32 (67) Trade-in value of motorcycles. From the sale and from the storage, use, or other
33 consumption in this state of so much of the purchase price paid for a new or used motorcycle as is
34 allocated for a trade-in allowance on the motorcycle of the buyer given in trade to the seller, or of

1 the proceeds applicable only to the motorcycle as are received from the manufacturer of
2 motorcycles for the repurchase of the motorcycle whether the repurchase was voluntary or not
3 towards the purchase of a new or used motorcycle by the buyer. For the purpose of this subdivision,
4 the word "motorcycle" means a motorcycle not used for hire and does not refer to any other type
5 of motor vehicle.

6 SECTION 13. Section 45-13-14 of the General Laws in Chapter 45-13 entitled "State Aid"
7 is hereby amended to read as follows:

8 **45-13-14. Adjustments to tax levy, assessed value, and full value when computing**
9 **state aid.**

10 (a) Whenever the director of revenue computes the relative wealth of municipalities for the
11 purpose of distributing state aid in accordance with title 16 and the provisions of § 45-13-12, he or
12 she shall base it on the full value of all property except:

13 (1) That exempted from taxation by acts of the general assembly and reimbursed under §
14 45-13-5.1 of the general laws, which shall have its value calculated as if the payment in lieu of tax
15 revenues received pursuant to § 45-13-5.1, has resulted from a tax levy;

16 (2) That whose tax levy or assessed value is based on a tax treaty agreement authorized by
17 a special public law or by reason of agreements between a municipality and the economic
18 development corporation in accordance with § 42-64-20 prior to May 15, 2005, which shall not
19 have its value included;

20 (3) That whose tax levy or assessed value is based on tax treaty agreements or tax
21 stabilization agreements in force prior to May 15, 2005, which shall not have its value included;

22 (4) That which is subject to a payment in lieu of tax agreement in force prior to May 15,
23 2005;

24 (5) Any other property exempt from taxation under state law; ~~or~~

25 (6) Any property subject to chapter 27 of title 44, taxation of Farm, Forest, and Open Space
26 Land; ~~or~~

27 (7) Any property exempt from taxation, in whole or in part, under the provisions of
28 subsections (a)(51), (a)(66), or (c) of § 44-3-3, § 44-3-47, § 44-3-65, or any other provision of law
29 that enables a city, town, or fire district to establish a tangible personal property exemption, which
30 shall have its value calculated as the full value of the property minus the exemption amount.

31 (b) The tax levy of each municipality and fire district shall be adjusted for any real estate
32 and personal property exempt from taxation by act of the general assembly by the amount of
33 payment in lieu of property tax revenue anticipated to be received pursuant to § 45-13-5.1 relating
34 to property tax from certain exempt private and state properties, and for any property subject to any

1 payment in lieu of tax agreements, any tax treaty agreements or tax stabilization agreements in
2 force after May 15, 2005, by the amount of the payment in lieu of taxes pursuant to such
3 agreements.

4 (c) Fire district tax levies within a city or town shall be included as part of the total levy
5 attributable to that city or town.

6 (d) The changes as required by subsections (a) through (c) of this section shall be
7 incorporated into the computation of entitlements effective for distribution in fiscal year 2007-2008
8 and thereafter.

9 SECTION 14. This article shall take effect upon passage except for Sections 3, 4, and 5,
10 which shall be effective November 1, 2022.