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ARTICLE 13

RELATING TO MAKING WORK PAY

SECTION 1. Section 28-12-3 of the General Laws in Chapter 28-12 entitled “Minimum Wages” is hereby amended to read as follows:

§ 28-12-3. Minimum wages. – (a) Every employer shall pay to each of his or her employees: commencing July 1, 1999, at least the minimum wage of five dollars and sixty-five cents (\$5.65) per hour. Commencing September 1, 2000, the minimum wage is six dollars and fifteen cents (\$6.15) per hour.

(b) Commencing January 1, 2004, the minimum wage is six dollars and seventy-five cents (\$6.75) per hour.

(c) Commencing March 1, 2006, the minimum wage is seven dollars and ten cents (\$7.10) per hour.

(d) Commencing January 1, 2007, the minimum wage is seven dollars and forty cents (\$7.40) per hour.

(e) Commencing January 1, 2013, the minimum wage is seven dollars and seventy-five cents (\$7.75) per hour.

(f) Commencing January 1, 2014, the minimum wage is eight dollars (\$8.00) per hour.

(g) Commencing January 1, 2015, the minimum wage is nine dollars (\$9.00) per hour.

(h) Commencing January 1, 2016, the minimum wage is nine dollars and sixty cents (\$9.60) per hour.

(i) Commencing January 1, 2017, the minimum wage is ten dollars and ten cents (\$10.10) per hour.

SECTION 2. Section 44-30-2.6 of General Laws in Chapter 44-30 entitled “Personal Income Tax” is hereby amended to read as follows:

§ 44-30-2.6. Rhode Island taxable income – Rate of tax. – (a) "Rhode Island taxable income" means federal taxable income as determined under the Internal Revenue Code, 26 U.S.C. § 1 et seq., not including the increase in the basic standard deduction amount for married couples filing joint returns as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003 and the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and as modified by the modifications in § 44-30-12.

1 (b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years
2 beginning on or after January 1, 2001, a Rhode Island personal income tax is imposed upon the
3 Rhode Island taxable income of residents and nonresidents, including estates and trusts, at the rate
4 of twenty-five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for
5 tax year 2002 and thereafter of the federal income tax rates, including capital gains rates and any
6 other special rates for other types of income, except as provided in § 44-30-2.7, which were in
7 effect immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation Act
8 of 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax
9 administrator beginning in taxable year 2002 and thereafter in the manner prescribed for
10 adjustment by the commissioner of Internal Revenue in 26 U.S.C. § 1(f). However, for tax years
11 beginning on or after January 1, 2006, a taxpayer may elect to use the alternative flat tax rate
12 provided in § 44-30-2.10 to calculate his or her personal income tax liability.

13 (c) For tax years beginning on or after January 1, 2001, if a taxpayer has an
14 alternative minimum tax for federal tax purposes, the taxpayer shall determine if he or she has a
15 Rhode Island alternative minimum tax. The Rhode Island alternative minimum tax shall be
16 computed by multiplying the federal tentative minimum tax without allowing for the increased
17 exemptions under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (as redetermined
18 on federal form 6251 Alternative Minimum Tax-Individuals) by twenty-five and one-half percent
19 (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year 2002 and thereafter, and
20 comparing the product to the Rhode Island tax as computed otherwise under this section. The
21 excess shall be the taxpayer's Rhode Island alternative minimum tax.

22 (1) For tax years beginning on or after January 1, 2005 and thereafter the
23 exemption amount for alternative minimum tax, for Rhode Island purposes, shall be adjusted for
24 inflation by the tax administrator in the manner prescribed for adjustment by the commissioner of
25 Internal Revenue in 26 U.S.C. § 1(f).

26 (2) For the period January 1, 2007 through December 31, 2007, and thereafter,
27 Rhode Island taxable income shall be determined by deducting from federal adjusted gross
28 income as defined in 26 U.S.C. § 62 as modified by the modifications in § 44-30-12 the Rhode
29 Island itemized deduction amount and the Rhode Island exemption amount as determined in this
30 section.

31 (A) Tax imposed.

32 (1) There is hereby imposed on the taxable income of married individuals filing
33 joint returns and surviving spouses a tax determined in accordance with the following table:

34 If taxable income is: The tax is:

1	Not over \$53,150	3.75% of taxable income
2	Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
3	Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
4	Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
5	Over \$349,700	\$26,333.75 plus 9.9% of the excess over \$349,700

6 (2) There is hereby imposed on the taxable income of every head of household a
7 tax determined in accordance with the following table:

8	If taxable income is:	The tax is:
9	Not over \$42,650	3.75% of taxable income
10	Over \$42,650 but not over \$110,100	\$1,599.38 plus 7.00% of the excess over \$42,650
11	Over \$110,100 but not over \$178,350	\$6,320.88 plus 7.75% of the excess over \$110,100
12	Over \$178,350 but not over \$349,700	\$11,610.25 plus 9.00% of the excess over \$178,350
13	Over \$349,700	\$27,031.75 plus 9.90% of the excess over \$349,700

14 (3) There is hereby imposed on the taxable income of unmarried individuals
15 (other than surviving spouses and heads of households) a tax determined in accordance with the
16 following table:

17	If taxable income is:	The tax is:
18	Not over \$31,850	3.75% of taxable income
19	Over \$31,850 but not over \$77,100	\$1,194.38 plus 7.00% of the excess over \$31,850
20	Over \$77,100 but not over \$160,850	\$4,361.88 plus 7.75% of the excess over \$77,100
21	Over \$160,850 but not over \$349,700	\$10,852.5 plus 9.00% of the excess over \$160,850
22	Over \$349,700	\$27,849.00 plus 9.90% of the excess over \$349,700

23 (4) There is hereby imposed on the taxable income of married individuals filing
24 separate returns and bankruptcy estates a tax determined in accordance with the following table:

25	If taxable income is:	The tax is:
26	Not over \$26,575	3.75% of taxable income
27	Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
28	Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250
29	Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
30	Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850

31 (5) There is hereby imposed a taxable income of an estate or trust a tax
32 determined in accordance with the following table:

33	If taxable income is:	The tax is:
34	Not over \$2,150	3.75% of taxable income

1	Over \$2,150 but not over \$5,000	\$80.63 plus 7.00% of the excess over \$2,150
2	Over \$5,000 but not over \$7,650	\$280.13 plus 7.75% of the excess over \$5,000
3	Over \$7,650 but not over \$10,450	\$485.50 plus 9.00% of the excess over \$7,650
4	Over \$10,450	\$737.50 plus 9.90% of the excess over \$10,450

5 (6) Adjustments for inflation.

6 The dollars amount contained in paragraph (A) shall be increased by an amount
7 equal to:

8 (a) Such dollar amount contained in paragraph (A) in the year 1993, multiplied
9 by;

10 (b) The cost-of-living adjustment determined under section (J) with a base year
11 of 1993;

12 (c) The cost-of-living adjustment referred to in subparagraph (a) and (b) used in
13 making adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar
14 amounts shall be determined under section (J) by substituting "1994" for "1993."

15 (B) Maximum capital gains rates

16 (1) In general

17 If a taxpayer has a net capital gain for tax years ending prior to January 1, 2010,
18 the tax imposed by this section for such taxable year shall not exceed the sum of:

19 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under
20 section 26 U.S.C. 1(h)(1)(a) and 26 U.S.C. 1(h)(1)(b).

21 (b) 5% of the net capital gain as reported for federal income tax purposes under
22 26 U.S.C. 1(h)(1)(c).

23 (c) 6.25% of the net capital gain as reported for federal income tax purposes
24 under 26 U.S.C. 1(h)(1)(d).

25 (d) 7% of the net capital gain as reported for federal income tax purposes under
26 26 U.S.C. 1(h)(1)(e).

27 (2) For tax years beginning on or after January 1, 2010 the tax imposed on net
28 capital gain shall be determined under subdivision 44-30-2.6(c)(2)(A).

29 (C) Itemized deductions.

30 (1) In general

31 For the purposes of section (2) "itemized deductions" means the amount of federal
32 itemized deductions as modified by the modifications in § 44-30-12.

33 (2) Individuals who do not itemize their deductions

34 In the case of an individual who does not elect to itemize his deductions for the taxable

1 year, they may elect to take a standard deduction.

2 (3) Basic standard deduction.

3 The Rhode Island standard deduction shall be allowed in accordance with the
4 following table:

5 Filing status	Amount
6 Single	\$5,350
7 Married filing jointly or qualifying widow(er)	\$8,900
8 Married filing separately	\$4,450
9 Head of Household	\$7,850

10 (4) Additional standard deduction for the aged and blind.

11 An additional standard deduction shall be allowed for individuals age sixty-five
12 (65) or older or blind in the amount of \$1,300 for individuals who are not married and \$1,050 for
13 individuals who are married.

14 (5) Limitation on basic standard deduction in the case of certain dependents.

15 In the case of an individual to whom a deduction under section (E) is allowable to another
16 taxpayer, the basic standard deduction applicable to such individual shall not exceed the greater
17 of:

18 (a) \$850;

19 (b) The sum of \$300 and such individual's earned income;

20 (6) Certain individuals not eligible for standard deduction.

21 In the case of:

22 (a) A married individual filing a separate return where either spouse itemizes
23 deductions;

24 (b) Nonresident alien individual;

25 (c) An estate or trust;

26 The standard deduction shall be zero.

27 (7) Adjustments for inflation.

28 Each dollar amount contained in paragraphs (3), (4) and (5) shall be increased by an
29 amount equal to:

30 (a) Such dollar amount contained in paragraphs (3), (4) and (5) in the year 1988,
31 multiplied by

32 (b) The cost-of-living adjustment determined under section (J) with a base year
33 of 1988.

34 (D) Overall limitation on itemized deductions

1 (1) General rule.

2 In the case of an individual whose adjusted gross income as modified by § 44-30-12
3 exceeds the applicable amount, the amount of the itemized deductions otherwise allowable for the
4 taxable year shall be reduced by the lesser of:

5 (a) Three percent (3%) of the excess of adjusted gross income as modified by §
6 44-30-12 over the applicable amount; or

7 (b) Eighty percent (80%) of the amount of the itemized deductions otherwise
8 allowable for such taxable year.

9 (2) Applicable amount.

10 (a) In general.

11 For purposes of this section, the term "applicable amount" means \$156,400 (\$78,200 in
12 the case of a separate return by a married individual)

13 (b) Adjustments for inflation.

14 Each dollar amount contained in paragraph (a) shall be increased by an amount
15 equal to:

16 (i) Such dollar amount contained in paragraph (a) in the year 1991, multiplied by

17 (ii) The cost-of-living adjustment determined under section (J) with a base year
18 of 1991.

19 (3) Phase-out of Limitation.

20 (a) In general.

21 In the case of taxable year beginning after December 31, 2005, and before January 1,
22 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which
23 would be the amount of such reduction.

24 (b) Applicable fraction.

25 For purposes of paragraph (a), the applicable fraction shall be determined in accordance
26 with the following table:

27	For Taxable years beginning in calendar year	The applicable fraction
28	is	
29	2006 and 2007	2/3
30	2008 and 2009	1/3

31 (E) Exemption amount

32 (1) In general.

33 Except as otherwise provided in this subsection, the term "exemption amount" mean
34 \$3,400.

1 (2) Exemption amount disallowed in case of certain dependents.

2 In the case of an individual with respect to whom a deduction under this section is
3 allowable to another taxpayer for the same taxable year, the exemption amount applicable to such
4 individual for such individual's taxable year shall be zero.

5 (3) Adjustments for inflation.

6 The dollar amount contained in paragraph (1) shall be increased by an amount equal to:

- 7 (a) Such dollar amount contained in paragraph (1) in the year 1989, multiplied by
- 8 (b) The cost-of-living adjustment determined under section (J) with a base year
9 of 1989.

10 (4) Limitation.

11 (a) In general.

12 In the case of any taxpayer whose adjusted gross income as modified for the taxable year
13 exceeds the threshold amount shall be reduced by the applicable percentage.

14 (b) Applicable percentage.

15 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
16 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
17 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
18 exceeds the threshold amount. In the case of a married individual filing a separate return, the
19 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the
20 applicable percentage exceed one hundred percent (100%).

21 (c) Threshold Amount.

22 For the purposes of this paragraph, the term "threshold amount" shall be determined with
23 the following table:

24 Filing status	Amount
25 Single	\$156,400
26 Married filing jointly of qualifying widow(er)	\$234,600
27 Married filing separately	\$117,300
28 Head of Household	\$195,500

29 (d) Adjustments for inflation.

30 Each dollars amount contain in paragraph (b) shall be increased by an amount
31 equal to:

- 32 (i) Such dollar amount contained in paragraph (b) in the year 1991, multiplied by
- 33 (ii) The cost-of-living adjustment determined under section (J) with a base year
34 of 1991.

1 (5) Phase-out of Limitation.

2 (a) In general.

3 In the case of taxable years beginning after December 31, 2005, and before January 1,
4 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
5 would be the amount of such reduction.

6 (b) Applicable fraction.

7 For the purposes of paragraph (a), the applicable fraction shall be determined in
8 accordance with the following table:

9	For Taxable years beginning in calendar year	The applicable fraction
10	is	
11	2006 and 2007	2/3
12	2008 and 2009	1/3

13 (F) Alternative minimum tax

14 (1) *General rule.* There is hereby imposed (in addition to any other tax imposed
15 by this subtitle) a tax equal to the excess (if any) of:

16 (a) The tentative minimum tax for the taxable year, over

17 (b) The regular tax for the taxable year.

18 (2) The tentative minimum tax for the taxable year is the sum of:

19 (a) 6.5 percent of so much of the taxable excess as does not exceed \$175,000,
20 plus

21 (b) 7.0 percent of so much of the taxable excess above \$175,000.

22 (3) The amount determined under the preceding sentence shall be reduced by the
23 alternative minimum tax foreign tax credit for the taxable year.

24 (4) *Taxable excess.* For the purposes of this subsection the term "taxable excess"
25 means so much of the federal alternative minimum taxable income as modified by the
26 modifications in § 44-30-12 as exceeds the exemption amount.

27 (5) In the case of a married individual filing a separate return, subparagraph (2)
28 shall be applied by substituting "\$87,500" for \$175,000 each place it appears.

29 (6) Exemption amount.

30 For purposes of this section "exemption amount" means:

31	Filing status	Amount
32	Single	\$39,150
33	Married filing jointly or qualifying widow(er)	\$53,700
34	Married filing separately	\$26,850

1 Head of Household \$39,150
2 Estate or trust \$24,650

3 (7) Treatment of unearned income of minor children

4 (a) In general.

5 In the case of a minor child, the exemption amount for purposes of section (6) shall not
6 exceed the sum of:

7 (i) Such child's earned income, plus

8 (ii) \$6,000.

9 (8) Adjustments for inflation.

10 The dollar amount contained in paragraphs (6) and (7) shall be increased by an amount
11 equal to:

12 (a) Such dollar amount contained in paragraphs (6) and (7) in the year 2004,
13 multiplied by

14 (b) The cost-of-living adjustment determined under section (J) with a base year
15 of 2004.

16 (9) Phase-out.

17 (a) In general.

18 The exemption amount of any taxpayer shall be reduced (but not below zero) by an
19 amount equal to twenty-five percent (25%) of the amount by which alternative minimum taxable
20 income of the taxpayer exceeds the threshold amount.

21 (b) Threshold amount.

22 For purposes of this paragraph, the term "threshold amount" shall be determined with the
23 following table:

24 Filing status	Amount
25 Single	\$123,250
26 Married filing jointly or qualifying widow(er)	\$164,350
27 Married filing separately	\$82,175
28 Head of Household	\$123,250
29 Estate or Trust	\$82,150

30 (c) Adjustments for inflation

31 Each dollar amount contained in paragraph (9) shall be increased by an amount equal to:

32 (i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by

33 (ii) The cost-of-living adjustment determined under section (J) with a base year
34 of 2004.

1 (G) Other Rhode Island taxes

2 (1) *General rule.* There is hereby imposed (in addition to any other tax imposed
3 by this subtitle) a tax equal to twenty-five percent (25%) of:

4 (a) The Federal income tax on lump-sum distributions.

5 (b) The Federal income tax on parents' election to report child's interest and
6 dividends.

7 (c) The recapture of Federal tax credits that were previously claimed on Rhode
8 Island return.

9 (H) Tax for children under 18 with investment income

10 (1) *General rule.* There is hereby imposed a tax equal to twenty-five percent
11 (25%) of:

12 (a) The Federal tax for children under the age of 18 with investment income.

13 (I) Averaging of farm income

14 (1) *General rule.* At the election of an individual engaged in a farming business
15 or fishing business, the tax imposed in section 2 shall be equal to twenty-five percent (25%) of:

16 (a) The Federal averaging of farm income as determined in IRC section 1301.

17 (J) Cost-of-living adjustment

18 (1) In general.

19 The cost-of-living adjustment for any calendar year is the percentage (if any) by which:

20 (a) The CPI for the preceding calendar year exceeds

21 (b) The CPI for the base year.

22 (2) CPI for any calendar year.

23 For purposes of paragraph (1), the CPI for any calendar year is the average of the
24 Consumer Price Index as of the close of the twelve (12) month period ending on August 31 of
25 such calendar year.

26 (3) Consumer Price Index

27 For purposes of paragraph (2), the term "consumer price index" means the last consumer
28 price index for all urban consumers published by the department of labor. For purposes of the
29 preceding sentence, the revision of the consumer price index which is most consistent with the
30 consumer price index for calendar year 1986 shall be used.

31 (4) Rounding.

32 (a) In general.

33 If any increase determined under paragraph (1) is not a multiple of \$50, such increase
34 shall be rounded to the next lowest multiple of \$50.

1 (b) In the case of a married individual filing a separate return, subparagraph (a)
2 shall be applied by substituting "\$25" for \$50 each place it appears.

3 (K) *Credits against tax.* For tax years beginning on or after January 1, 2001, a
4 taxpayer entitled to any of the following federal credits enacted prior to January 1, 1996 shall be
5 entitled to a credit against the Rhode Island tax imposed under this section:

- 6 (1) [Deleted by P.L. 2007, ch. 73, art. 7, § 5].
- 7 (2) Child and dependent care credit;
- 8 (3) General business credits;
- 9 (4) Credit for elderly or the disabled;
- 10 (5) Credit for prior year minimum tax;
- 11 (6) Mortgage interest credit;
- 12 (7) Empowerment zone employment credit;
- 13 (8) Qualified electric vehicle credit.

14 (L) *Credit against tax for adoption.* For tax years beginning on or after January 1,
15 2006, a taxpayer entitled to the federal adoption credit shall be entitled to a credit against the
16 Rhode Island tax imposed under this section if the adopted child was under the care, custody, or
17 supervision of the Rhode Island department of children, youth and families prior to the adoption.

18 (M) The credit shall be twenty-five percent (25%) of the aforementioned federal
19 credits provided there shall be no deduction based on any federal credits enacted after January 1,
20 1996, including the rate reduction credit provided by the federal Economic Growth and Tax
21 Reconciliation Act of 2001 (EGTRRA). In no event shall the tax imposed under this section be
22 reduced to less than zero. A taxpayer required to recapture any of the above credits for federal tax
23 purposes shall determine the Rhode Island amount to be recaptured in the same manner as
24 prescribed in this subsection.

25 (N) Rhode Island earned income credit

26 (1) In general.

27 For tax years beginning before January 1, 2015 a taxpayer entitled to a federal earned
28 income credit shall be allowed a Rhode Island earned income credit equal to twenty-five percent
29 (25%) of the federal earned income credit. Such credit shall not exceed the amount of the Rhode
30 Island income tax.

31 For tax years beginning on or after January, 1, 2015 and before January 1, 2016, a
32 taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island earned income
33 credit equal to ten percent (10%) of the federal earned income credit. Such credit shall not exceed
34 the amount of the Rhode Island income tax.

1 For tax years beginning on or after January, 1, 2016 and before January 1, 2017, a
2 taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island earned income
3 credit equal to twelve and one-half percent (12.5%) of the federal earned income credit. Such
4 credit shall not exceed the amount of the Rhode Island income tax.

5 For tax years beginning on or after January, 1, 2017, a taxpayer entitled to a federal
6 earned income credit shall be allowed a Rhode Island earned income credit equal to fifteen
7 percent (15%) of the federal earned income credit. Such credit shall not exceed the amount of the
8 Rhode Island income tax.

9 (2) Refundable portion.

10 In the event the Rhode Island earned income credit allowed under paragraph (N)(1) of
11 this section ~~(H)~~ exceeds the amount of Rhode Island income tax, a refundable earned income
12 credit shall be allowed as follows.

13 (i) For tax years beginning before January 1, 2015, for purposes of paragraph (2)
14 refundable earned income credit means fifteen percent (15%) of the amount by which the Rhode
15 Island earned income credit exceeds the Rhode Island income tax.

16 ~~(+)~~(ii) For tax years beginning on or after January 1, 2015, For for purposes of
17 paragraph (2) refundable earned income credit means one hundred percent (100%) of the amount
18 by which the Rhode Island earned income credit exceeds the Rhode Island income tax.

19 (O) The tax administrator shall recalculate and submit necessary revisions to
20 paragraphs (A) through (J) to the general assembly no later than February 1, 2010 and every three
21 (3) years thereafter for inclusion in the statute.

22 (3) For the period January 1, 2011 through December 31, 2011, and thereafter,
23 "Rhode Island taxable income" means federal adjusted gross income as determined under the
24 Internal Revenue Code, 26 U.S.C. 1 et seq., and as modified for Rhode Island purposes pursuant
25 to § 44-30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to
26 subparagraph 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant of
27 subparagraph 44-30-2.6(c)(3)(C).

28 (A) Tax imposed.

29 (I) There is hereby imposed on the taxable income of married individuals filing
30 joint returns, qualifying widow(er), every head of household, unmarried individuals, married
31 individuals filing separate returns and bankruptcy estates, a tax determined in accordance with the
32 following table:

RI Taxable Income		RI Income Tax	
Over	But not over	Pay+% on Excess	On the amount

1 over

2	\$0-	\$55,000	\$0+3.75%	\$0
3	\$55,000	\$125,000	\$2,063 +4.75%	\$55,000
4	\$125,000		\$5,388+5.99%	\$125,000

5 (II) There is hereby imposed on the taxable income of an estate or trust a tax
6 determined in accordance with the following table:

7	RI Taxable Income		RI Income Tax	
8	Over	But not over	Pay+% on Excess	On the amount
9 over				
10	\$0-	\$2,230	\$0+3.75%	\$0
11	\$2,230	\$7,022	\$84+4.75%	\$2,230
12	\$7,022		\$312+5.99%	\$7,022

13 (B) Deductions:

14 (I) Rhode Island Basic Standard Deduction.

15 Only the Rhode Island standard deduction shall be allowed in accordance with
16 the following table:

17	Filing status:	Amount
18	Single	\$7,500
19	Married filing jointly or qualifying widow(er)	\$15,000
20	Married filing separately	\$7,500
21	Head of Household	\$11,250

22 (II) Nonresident alien individuals, estates and trusts are not eligible for standard
23 deductions.

24 (III) In the case of any taxpayer whose adjusted gross income, as modified for
25 Rhode Island purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-
26 five thousand dollars (\$175,000), the standard deduction amount shall be reduced by the
27 applicable percentage. The term "applicable percentage" means twenty (20) percentage points for
28 each five thousand dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross
29 income for the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000).

30 (C) Exemption Amount:

31 (I) The term "exemption amount" means three thousand five hundred dollars
32 (\$3,500) multiplied by the number of exemptions allowed for the taxable year for federal income
33 tax purposes.

34 (II) Exemption amount disallowed in case of certain dependents. In the case of an

1 individual with respect to whom a deduction under this section is allowable to another taxpayer
2 for the same taxable year, the exemption amount applicable to such individual for such
3 individual's taxable year shall be zero.

4 (D) In the case of any taxpayer whose adjusted gross income, as modified for
5 Rhode Island purposes pursuant to § 33-30-12, for the taxable year exceeds one hundred seventy-
6 five thousand dollars (\$175,000), the exemption amount shall be reduced by the applicable
7 percentage. The term "applicable percentage" means twenty (20) percentage points for each five
8 thousand dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for
9 the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000).

10 (E) *Adjustment for inflation.* The dollar amount contained in subparagraphs 44-
11 30-2.6(c)(3)(A), 44-30-2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) shall be increased annually by an
12 amount equal to:

13 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-
14 2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000,
15 multiplied by;

16 (II) The cost-of-living adjustment with a base year of 2000.

17 (III) For the purposes of this section the cost-of-living adjustment for any
18 calendar year is the percentage (if any) by which the consumer price index for the preceding
19 calendar year exceeds the consumer price index for the base year. The consumer price index for
20 any calendar year is the average of the consumer price index as of the close of the twelve (12)
21 month period ending on August 31, of such calendar year.

22 (IV) For the purpose of this section the term "consumer price index" means the
23 last consumer price index for all urban consumers published by the department of labor. For the
24 purpose of this section the revision of the consumer price index which is most consistent with the
25 consumer price index for calendar year 1986 shall be used.

26 (V) If any increase determined under this section is not a multiple of fifty dollars
27 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
28 case of a married individual filing separate return, if any increase determined under this section is
29 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
30 multiple of twenty-five dollars (\$25.00).

31 (E) Credits against tax.

32 (I) Notwithstanding any other provisions of Rhode Island Law, for tax years
33 beginning on or after January 1, 2011, the only credits allowed against a tax imposed under this
34 chapter shall be as follows:

1 (a) Rhode Island Earned Income Credit: Credit shall be allowed for earned
2 income credit pursuant to subparagraph 44-30-2.6(c)(2)(N).

3 (b) Property Tax Relief Credit: Credit shall be allowed for property tax relief as
4 provided in § 44-33-1 et seq.

5 (c) Lead Paint Credit: Credit shall be allowed for residential lead abatement
6 income tax credit as provided in § 44-30.3-1 et seq.

7 (d) *Credit for income taxes of other states.* Credit shall be allowed for income tax
8 paid to other states pursuant to § 44-30-74.

9 (e) Historic Structures Tax Credit: Credit shall be allowed for historic structures
10 tax credit as provided in § 44-33.2-1 et seq.

11 (f) Motion Picture Productions Tax Credit: Credit shall be allowed for motion
12 picture production tax credit as provided in § 44-31.2-1 et seq.

13 (g) Child and Dependent Care: Credit shall be allowed for twenty-five percent
14 (25%) of the federal child and dependent care credit allowable for the taxable year for federal
15 purposes; provided, however, such credit shall not exceed the Rhode Island tax liability.

16 (h) Tax credits for contributions to Scholarship Organizations: Credit shall be
17 allowed for contributions to scholarship organizations as provided in § 44-62 et seq.

18 (i) *Credit for tax withheld.* Wages upon which tax is required to be withheld shall
19 be taxable as if no withholding were required, but any amount of Rhode Island personal income
20 tax actually deducted and withheld in any calendar year shall be deemed to have been paid to the
21 tax administrator on behalf of the person from whom withheld, and the person shall be credited
22 with having paid that amount of tax for the taxable year beginning in that calendar year. For a
23 taxable year of less than twelve (12) months, the credit shall be made under regulations of the tax
24 administrator.

25 (j) *Stay Invested in RI Wavemaker Fellowship:* Credit shall be allowed for stay invested
26 in RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.

27 (k) *Rebuild Rhode Island:* Credit shall be allowed for rebuild RI tax credit as
28 provided in § 42-64.20-1 et seq.

29 (l) *Rhode Island Qualified Jobs Incentive Program:* Credit shall be allowed for
30 Rhode Island new qualified jobs incentive program credit as provided in § 44-48.3-1 et seq.

31 (2) Except as provided in section 1 above, no other state and federal tax credit shall be
32 available to the taxpayers in computing tax liability under this chapter.

33 SECTION 3. This article shall take effect upon passage.