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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT

Introduced By: Representatives Walsh, Tanzi, Valencia, Tomasso, and O'Grady

Date Introduced: January 19, 2011

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-64-10 of the General Laws in Chapter 42-64 entitled "Rhode
2 Island Economic Development Corporation" is hereby amended to read as follows:

3 **42-64-10. Findings of the corporation.** -- (a) Except as specifically provided in this
4 chapter, the Rhode Island economic development corporation shall not be empowered to
5 undertake the acquisition, construction, reconstruction, rehabilitation, development, or
6 improvement of a project, nor enter into a contract for any undertaking or for the financing of this
7 undertaking, unless it first:

8 (1) Finds:

9 (i) That the acquisition or construction and operation of the project will prevent,
10 eliminate, or reduce unemployment or underemployment in the state and will generally benefit
11 economic development of the state;

12 (ii) That adequate provision has been made or will be made for the payment of the cost
13 of the acquisition, construction, operation, and maintenance and upkeep of the project;

14 (iii) That, with respect to real property, the plans and specifications assure adequate
15 light, air, sanitation, and fire protection;

16 (iv) That the project is in conformity with the applicable provisions of chapter 23 of title
17 46; and

18 (v) That the project is in conformity with the applicable provisions of the state guide
19 plan; and

1 (2) Prepares and publicly releases an analysis of the impact the proposed project will or
2 may have on the State. The analysis shall be supported by appropriate data and documentation
3 and shall consider, but not be limited to, the following factors:

4 (i) The impact on the industry or industries in which the completed project will be
5 involved;

6 (ii) State fiscal matters, including the state budget (revenues and expenses);

7 (iii) The financial exposure of the taxpayers of the state under the plans for the proposed
8 project and negative foreseeable contingencies that may arise therefrom;

9 (iv) The approximate number of full-time, part-time, temporary, seasonal, and/or
10 permanent jobs projected to be created, construction and non-construction;

11 (v) Identification of geographic sources of the staffing for identified jobs;

12 (vi) The projected duration of the identified construction jobs;

13 (vii) The approximate wage rates for each category of the identified jobs;

14 (viii) The types of fringe benefits to be provided with the identified jobs, including
15 healthcare insurance and any retirement benefits;

16 (ix) The projected fiscal impact on increased personal income taxes to the state of Rhode
17 Island; and

18 (x) The description of any plan or process intended to stimulate hiring from the host
19 community, training of employees or potential employees and outreach to minority job applicants
20 and minority businesses.

21 (b) With respect to the uses described in section 42-64-3(18), (23), (30), (35), and (36)
22 and with respect to projects situated on federal lands, the corporation shall not be required to
23 make the findings specified in subsection (a)(1)(i) of this section.

24 (c) Except for the findings specified in subsections (a)(1)(iv) and (a)(1)(v) of this
25 section, the findings of the corporation made pursuant to this section shall be binding and
26 conclusive for all purposes. Upon adoption by the corporation, any such findings shall be
27 transmitted to the division of taxation, and shall be made available to the public for inspection by
28 any person, and shall be published by the tax administrator on the tax division website.

29 (d) The corporation shall monitor every impact analysis it completes through the
30 duration of any project incentives. Such monitoring shall include annual reports which shall be
31 transmitted to the division of taxation, and shall be available to the public for inspection by any
32 person, and shall be published by the tax administrator on the tax division website. The annual
33 reports on the impact analysis shall include:

34 (1) Actual versus projected impact for all considered factors; and

1 (2) Verification of all commitments made in consideration of state incentives or aid.

2 (e) Upon its preparation and release of the analysis required by subsection (a)(2) of this
3 section, the corporation shall provide copies of that analysis to the chairpersons of the house and
4 senate finance committees, the house and senate fiscal advisors, the department of labor and
5 training and the division of taxation. Any such analysis shall be available to the public for
6 inspection by any person and shall be published by the tax administrator on the tax division
7 website. Annually thereafter, the department of labor and training shall certify to the chairpersons
8 of the house and senate finance committees, the house and senate fiscal advisors, the corporation
9 and the division of taxation that: (i) the actual number of new full-time jobs with benefits created
10 by the project, not including construction jobs, is on target to meet or exceed the estimated
11 number of new jobs identified in the analysis above, and (ii) the actual number of existing full-
12 time jobs with benefits has not declined. This certification shall no longer be required two (2) tax
13 years after the terms and conditions of both the general assembly's joint resolution of approval
14 required by section 42-64-20.1 of this chapter and any agreement between the corporation and the
15 project lessee have been satisfied. For purposes of this section, "full-time jobs with benefits"
16 means jobs that require working a minimum of thirty (30) hours per week within the state, with a
17 median wage that exceeds by five percent (5%) the median annual wage for full-time jobs in
18 Rhode Island and within the taxpayer's industry, with a benefit package that includes healthcare
19 insurance plus other benefits typical of companies within the project lessee's industry. The
20 department of labor and training shall also certify annually to the chairpersons of the house and
21 senate finance committees, the house and senate fiscal advisors, and the division of taxation that
22 jobs created by the project are "new jobs" in the state of Rhode Island, meaning that the
23 employees of the project are in addition to, and without a reduction in the number of, those
24 employees of the project lessee currently employed in Rhode Island, are not relocated from
25 another facility of the project lessee in Rhode Island or are employees assumed by the project
26 lessee as the result of a merger or acquisition of a company already located in Rhode Island. The
27 certifications made by the department of labor and training shall be available to the public for
28 inspection by any person and shall be published by the tax administrator on the tax division
29 website.

30 (f) The corporation, with the assistance of the taxpayer, the department of labor and
31 training, the department of human services and the division of taxation shall provide annually an
32 analysis of whether any of the employees of the project lessee has received RIte Care or RIte
33 Share benefits and the impact such benefits or assistance may have on the state budget. Any such
34 analysis shall be available to the public for inspection by any person and shall be published by the

1 tax administrator on the tax division website. Notwithstanding any other provision of law or rule
2 or regulation, the division of taxation, the department of labor and training and the department of
3 human services are authorized to present, review and discuss lessee-specific tax or employment
4 information or data with the Rhode Island Economic Development Corporation (RIEDC), the
5 chairpersons of the house and senate finance committees, and/or the house and senate fiscal
6 advisors for the purpose of verification and compliance with this tax credit reporting requirement.

7 (g) The corporation and the project lessee shall agree that, if at any time prior to pay
8 back of the amount of the sales tax exemption through new income tax collections over three (3)
9 years, not including construction job income taxes, the project lessee will be unable to continue
10 the project, or otherwise defaults on its obligations to the corporation, the project lessee shall be
11 liable to the state for all the sales tax benefits granted to the project plus interest, as determined in
12 Rhode Island General Law section 44-1-7, calculated from the date the project lessee received the
13 sales tax benefits.

14 (h) Any agreements or contracts entered into by the corporation and the project lessee
15 shall be sent to the division of taxation and be available to the public for inspection by any person
16 and shall be published by the tax administrator on the tax division website.

17 (i) By August 15th of each year the project lessee shall report the source and amount of
18 any bonds, grants, loans, loan guarantees, matching funds or tax credits received from any state
19 governmental entity, state agency or public agency as defined in section 37-2-7 received during
20 the previous state fiscal year. This annual report shall be sent to the division of taxation and be
21 available to the public for inspection by any person and shall be published by the tax
22 administrator on the tax division website.

23 (j) By August 15th of each year the division of taxation shall report the name, address,
24 and amount of sales tax benefit each project lessee received during the previous state fiscal year
25 to the corporation, the chairpersons of the house and senate finance committees, the house and
26 senate fiscal advisors, the department of labor and training and the division of taxation. This
27 report shall be available to the public for inspection by any person and shall be published by the
28 tax administrator on the tax division website.

29 (k) On or before September 1, 2011, and every September 1 thereafter, the project lessee
30 shall file an annual report with the tax administrator. Said report shall contain each full-time
31 equivalent, part-time or seasonal employee's name, social security number, date of hire, and
32 hourly wage as of the immediately preceding July 1 and such other information deemed necessary
33 by the tax administrator. The report shall be filed on a form and in a manner prescribed by the tax
34 administrator.

1 SECTION 2. Section 44-63-3 of the General Laws in Chapter 44-63 entitled "Incentives
2 for Innovation and Growth" is hereby amended to read as follows:

3 **44-63-3. Eligibility for credit. [Repealed effective December 31, 2016 pursuant to**
4 **section 44-63-5.] --** (a) Only companies with business primarily in those industries or trades,
5 identified by the corporation upon advisory resolution of the Rhode Island Science and
6 Technology Advisory Council as "Innovation Industries" producing traded good or services, shall
7 be eligible for the Incentives for Innovation and Growth as provided in sections 44-63-1 and 44-
8 63-2. An eligible company must make application to the corporation prior to claiming the credit,
9 and the corporation shall be authorized to approve no more than one million dollars (\$1,000,000)
10 in credit applications in any two (2) calendar year period.

11 (b) The corporation shall approve no application under this chapter until it has first
12 prepared and publicly released an analysis of the impact the proposed investment will or may
13 have on the State. The analysis shall be supported by appropriate data and documentation and
14 shall consider, but not be limited to, the following factors:

- 15 (i) The impact on the industry or industries in which the applicant will be involved;
- 16 (ii) State fiscal matters, including the state budget (revenues and expenses);
- 17 (iii) The financial exposure of the taxpayers of the state under the plans for the proposed
18 investment and negative foreseeable contingencies that may arise therefrom;
- 19 (iv) The approximate number of full-time, part-time, temporary, seasonal and/or
20 permanent jobs projected to be created, construction and non-construction;
- 21 (v) Identification of geographic sources of the staffing for identified jobs;
- 22 (vi) The projected duration of the identified construction jobs;
- 23 (vii) The approximate wage rates for each category of the identified jobs;
- 24 (viii) The types of fringe benefits to be provided with the identified jobs, including
25 healthcare insurance and any retirement benefits;
- 26 (ix) The projected fiscal impact on increased personal income taxes to the state of Rhode
27 Island; and
- 28 (x) The description of any plan or process intended to stimulate hiring from the host
29 community, training of employees or potential employees, and outreach to minority job
30 applicants and minority businesses.

31 (c) The corporation shall monitor every impact analysis it completes through the
32 duration of any approved tax credit and for two (2) years after the taxpayer no longer receives the
33 credit. Such monitoring shall include annual reports which shall be transmitted to the division of
34 taxation, and shall be available to the public for inspection by any person, and shall be published

1 by the tax administrator on the tax division website. The annual reports on the impact analysis
2 shall include:

3 (1) Actual versus projected impact for all considered factors; and

4 (2) Verification of all commitments made in consideration of state incentives or aid.

5 (d) Upon its preparation and release of the analysis required by subsection (b) of this
6 section, the corporation shall provide copies of that analysis to the chairpersons of the house and
7 senate finance committees, the house and senate fiscal advisors, the department of labor and
8 training and the division of taxation. Any such analysis shall be available to the public for
9 inspection by any person and shall be published by the tax administrator on the tax division
10 website. Annually thereafter, through and including the second tax year after any taxpayer has
11 applied for and received a tax credit pursuant to this chapter, the department of labor and training
12 shall certify to the chairpersons of the house and senate finance committees, the house and senate
13 fiscal advisors, the corporation and the division of taxation that: (i) the actual number of new full-
14 time jobs with benefits created by the tax credit, not including construction jobs, is on target to
15 meet or exceed the estimated number of new jobs identified in the analysis above; and (ii) the
16 actual number of existing full-time jobs with benefits has not declined. For purposes of this
17 section, "full-time jobs with benefits" means jobs that require working a minimum of thirty (30)
18 hours per week within the state, with a median wage that exceeds by five percent (5%) the
19 median annual wage for full-time jobs in Rhode Island and within the taxpayer's industry, with a
20 benefit package that includes healthcare insurance plus other benefits typical of companies within
21 the taxpayer's industry. The department of labor and training shall also certify annually to the
22 chairpersons of the house and senate finance committees, the house and senate fiscal advisors,
23 and the division of taxation that jobs created by the tax credit are "new jobs" in the state of Rhode
24 Island, meaning that the employees of the project are in addition to, and without a reduction of,
25 those employees of the taxpayer currently employed in Rhode Island, are not relocated from
26 another facility of the taxpayer in Rhode Island or are employees assumed by the taxpayer as the
27 result of a merger or acquisition of a company already located in Rhode Island. The certifications
28 made by the department of labor and training shall be available to the public for inspection by any
29 person and shall be published by the tax administrator on the tax division website.

30 (e) The corporation, with the assistance of the taxpayer, the department of labor and
31 training, the department of human services and the division of taxation shall provide annually an
32 analysis of whether any of the employees of the taxpayer has received RItE Care or RItE Share
33 benefits and the impact such benefits or assistance may have on the state budget. This analysis
34 shall be available to the public for inspection by any person and shall be published by the tax

1 administrator on the tax division website. Notwithstanding any other provision of law or rule or
2 regulation, the division of taxation, the department of labor and training and the department of
3 human services are authorized to present, review and discuss taxpayer-specific tax or
4 employment information or data with the Rhode Island Economic Development Corporation
5 (RIEDC), the chairpersons of the house and senate finance committees, and/or the house and
6 senate fiscal advisors for the purpose of verification and compliance with this tax credit reporting
7 requirement.

8 (f) Any agreements or contracts entered into by the corporation and the taxpayer shall be
9 sent to the division of taxation and be available to the public for inspection by any person and
10 shall be published by the tax administrator on the tax division website.

11 (g) By August 15th of each year the taxpayer shall report the source and amount of any
12 bonds, grants, loans, loan guarantees, matching funds or tax credits received from any state
13 governmental entity, state agency or public agency as defined in section 37-2-7 received during
14 the previous state fiscal year. This annual report shall be sent to the division of taxation and be
15 available to the public for inspection by any person and shall be published by the tax
16 administrator on the tax division website.

17 (h) By August 15th of each year the division of taxation shall report the name, address,
18 and amount of tax credit received for each taxpayer during the previous state fiscal year to the
19 corporation, the chairpersons of the house and senate finance committees, the house and senate
20 fiscal advisors, the department of labor and training and the division of taxation. This report shall
21 be available to the public for inspection by any person and shall be published by the tax
22 administrator on the tax division website.

23 (i) On or before September 1, 2011, and every September 1 thereafter, the project lessee
24 shall file an annual report with the tax administrator. Said report shall contain each full-time
25 equivalent, part-time or seasonal employee's name, social security number, date of hire, and
26 hourly wage as of the immediately preceding July 1 and such other information deemed necessary
27 by the tax administrator. The report shall be filed on a form and in a manner prescribed by the tax
28 administrator.

29 SECTION 3. Section 42-64.3-6.1 of the General Laws in Chapter 42-64.3 entitled
30 "Distressed Areas Economic Revitalization Act" is hereby amended to read as follows:

31 **42-64.3-6.1. Impact analysis and periodic reporting.** -- (a) The council shall not certify
32 any applicant as a qualified business under subsection 42-64.3-3(4) of this chapter until it has first
33 prepared and publicly released an analysis of the impact the proposed investment will or may
34 have on the state. The analysis shall be supported by appropriate data and documentation and

1 shall consider, but not be limited to, the following factors:

2 (i) The impact on the industry or industries in which the applicant will be involved;

3 (ii) State fiscal matters, including the state budget (revenues and expenses);

4 (iii) The financial exposure of the taxpayers of the state under the plans for the proposed
5 investment and negative foreseeable contingencies that may arise therefrom;

6 (iv) The approximate number of full-time, part-time, temporary, seasonal and/or
7 permanent jobs projected to be created, construction and non-construction;

8 (v) Identification of geographic sources of the staffing for identified jobs;

9 (vi) The projected duration of the identified construction jobs;

10 (vii) The approximate wage rates for each category of the identified jobs;

11 (viii) The types of fringe benefits to be provided with the identified jobs, including
12 healthcare insurance and any retirement benefits;

13 (ix) The projected fiscal impact on increased personal income taxes to the state of Rhode
14 Island; and

15 (x) The description of any plan or process intended to stimulate hiring from the host
16 community, training of employees or potential employees, and outreach to minority job
17 applicants and minority businesses.

18 (b) The council shall monitor every impact analysis it completes through the duration of
19 any approved tax credit. Such monitoring shall include annual reports made available to the
20 public on the:

21 (1) Actual versus projected impact for all considered factors; and

22 (2) Verification of all commitments made in consideration of state incentives or aid.

23 (c) Upon its preparation and release of the analysis required by subsection (b) of this
24 section, the council shall provide copies of that analysis to the chairpersons of the house and
25 senate finance committees, the house and senate fiscal advisors, the department of labor and
26 training and the division of taxation. Any such analysis shall be available to the public for
27 inspection by any person and shall be published by the tax administrator on the tax division
28 website. Annually thereafter, through and including the second tax year after any taxpayer has
29 applied for and received a tax credit pursuant to this chapter, the department of labor and training
30 shall certify to the chairpersons of the house and senate finance committees, the house and senate
31 fiscal advisors, the corporation and the division of taxation that: (i) the actual number of new full-
32 time jobs with benefits created by the tax credit, not including construction jobs, is on target to
33 meet or exceed the estimated number of new jobs identified in the analysis above; and (ii) the
34 actual number of existing full-time jobs with benefits has not declined. For purposes of this

1 section, "full-time jobs with benefits" means jobs that require working a minimum of thirty (30)
2 hours per week within the state, with a median wage that exceeds by five percent (5%) the
3 median annual wage for full-time jobs in Rhode Island and within the taxpayer's industry, with a
4 benefit package that includes healthcare insurance plus other benefits typical of companies within
5 the taxpayer's industry. The department of labor and training shall also certify annually to the
6 house and senate fiscal committee chairs, the house and senate fiscal advisors, and the division of
7 taxation that jobs created by the tax credit are "new jobs" in the state of Rhode Island, meaning
8 that the employees of the project are in addition to, and without a reduction of, those employees
9 of the taxpayer currently employed in Rhode Island, are not relocated from another facility of the
10 taxpayer in Rhode Island or are employees assumed by the taxpayer as the result of a merger or
11 acquisition of a company already located in Rhode Island. The certifications made by the
12 department of labor and training shall be available to the public for inspection by any person and
13 shall be published by the tax administrator on the tax division website.

14 (d) The council, with the assistance of the taxpayer, the department of labor and training,
15 the department of human services and the division of taxation shall provide annually an analysis
16 of whether any of the employees of the taxpayer has received RIte Care or RIte Share benefits
17 and the impact such benefits or assistance may have on the state budget. This analysis shall be
18 available to the public for inspection by any person and shall be published by the tax
19 administrator on the tax division website. Notwithstanding any other provision of law or rule or
20 regulation, the division of taxation, the department of labor and training and the department of
21 human services are authorized to present, review and discuss taxpayer-specific tax or
22 employment information or data with the council, the chairpersons of the house and senate
23 finance committees, and/or the house and senate fiscal advisors for the purpose of verification
24 and compliance with this tax credit reporting requirement.

25 (e) Any agreements or contracts entered into by the council and the taxpayer shall be
26 sent to the division of taxation and be available to the public for inspection by any person and
27 shall be published by the tax administrator on the tax division website.

28 (f) By August 15th of each year the taxpayer shall report the source and amount of any
29 bonds, grants, loans, loan guarantees, matching funds or tax credits received from any state
30 governmental entity, state agency or public agency as defined in section 37-2-7 received during
31 the previous state fiscal year. This annual report shall be sent to the division of taxation and be
32 available to the public for inspection by any person and shall be published by the tax
33 administrator on the tax division website.

34 (g) By August 15th of each year the division of taxation shall report the name, address,

1 and amount of tax credit received for each taxpayer during the previous state fiscal year to the
2 council, the chairpersons of the house and senate finance committees, the house and senate fiscal
3 advisors, the department of labor and training and the division of taxation. This report shall be
4 available to the public for inspection by any person and shall be published by the tax
5 administrator on the tax division website.

6 (h) On or before September 1, 2011, and every September 1 thereafter, the project lessee
7 shall file an annual report with the tax administrator. Said report shall contain each full-time
8 equivalent, part-time or seasonal employee's name, social security number, date of hire, and
9 hourly wage as of the immediately preceding July 1 and such other information deemed necessary
10 by the tax administrator. The report shall be filed on a form and in a manner prescribed by the tax
11 administrator.

12 SECTION 4. Section 44-31.2-6.1 of the General Laws in Chapter 44-31.2 entitled
13 "Motion Picture Production Tax Credits" is hereby amended to read as follows:

14 **44-31.2-6.1. Impact analysis and periodic reporting.** -- (a) The film office shall not
15 certify or approve any application under section 44-31.2-6 of this chapter until it has first
16 prepared and publicly released an analysis of the impact the proposed investment will or may
17 have on the state. The analysis shall be supported by appropriate data and documentation and
18 shall consider, but not be limited to, the following factors:

- 19 (i) The impact on the industry or industries in which the applicant will be involved;
- 20 (ii) State fiscal matters, including the state budget (revenues and expenses);
- 21 (iii) The financial exposure of the taxpayers of the state under the plans for the proposed
22 investment and negative foreseeable contingencies that may arise therefrom;
- 23 (iv) The approximate number of full-time, part-time, temporary, seasonal and/or
24 permanent jobs projected to be created, construction and non-construction;
- 25 (v) Identification of geographic sources of the staffing for identified jobs;
- 26 (vi) The projected duration of the identified construction jobs;
- 27 (vii) The approximate wage rates for each category of the identified jobs;
- 28 (viii) The types of fringe benefits to be provided with the identified jobs, including
29 healthcare insurance and any retirement benefits;
- 30 (ix) The projected fiscal impact on increased personal income taxes to the state of Rhode
31 Island; and
- 32 (x) The description of any plan or process intended to stimulate hiring from the host
33 community, training of employees or potential employees, and outreach to minority job
34 applicants and minority businesses.

1 (b) The film office shall monitor every impact analysis it completes through the duration
2 of any approved tax credit. Such monitoring shall include annual reports made available to the
3 public on the:

4 (1) Actual versus projected impact for all considered factors; and

5 (2) Verification of all commitments made in consideration of state incentives or aid.

6 (c) Upon its preparation and release of the analysis required by subsection (b) of this
7 section, the film office shall provide copies of that analysis to the chairpersons of the house and
8 senate finance committees, the house and senate fiscal advisors, the department of labor and
9 training and the division of taxation. Any such analysis shall be available to the public for
10 inspection by any person and shall be published by the tax administrator on the tax division
11 website. Annually thereafter, through and including the second tax year after any taxpayer has
12 applied for and received a tax credit pursuant to this chapter, the department of labor and training
13 shall certify to the chairpersons of the house and senate finance committees, the house and senate
14 fiscal advisors, the corporation and the division of taxation that: (i) the actual number of new full-
15 time jobs with benefits created by the state-certified production, not including construction jobs,
16 is on target to meet or exceed the estimated number of new jobs identified in the analysis above,
17 and (ii) the actual number of existing full-time jobs with benefits has not declined. For purposes
18 of this section, "full-time jobs with benefits" means jobs that require working a minimum of thirty
19 (30) hours per week within the state, with a median wage that exceeds by five percent (5%) the
20 median annual wage for full-time jobs in Rhode Island and within the taxpayer's industry, with a
21 benefit package that includes healthcare insurance plus other benefits typical of companies within
22 the motion picture industry. The department of labor and training shall also certify annually to the
23 house and senate fiscal committee chairs, the house and senate fiscal advisors, and the division of
24 taxation that jobs created by the state-certified production are "new jobs" in the state of Rhode
25 Island, meaning that the employees of the motion picture production company are in addition to,
26 and without a reduction of, those employees of the motion picture production company currently
27 employed in Rhode Island, are not relocated from another facility of the motion picture
28 production company in Rhode Island or are employees assumed by the motion picture production
29 company as the result of a merger or acquisition of a company already located in Rhode Island.
30 The certifications made by the department of labor and training shall be available to the public for
31 inspection by any person and shall be published by the tax administrator on the tax division
32 website.

33 (d) The film office, with the assistance of the motion picture production company, the
34 department of labor and training, the department of human services and the division of taxation

1 shall provide annually an analysis of whether any of the employees of the motion picture
2 production company has received RIte Care or RIte Share benefits and the impact such benefits
3 or assistance may have on the state budget. This analysis shall be available to the public for
4 inspection by any person and shall be published by the tax administrator on the tax division
5 website. Notwithstanding any other provision of law or rule or regulation, the division of
6 taxation, the department of labor and training and the department of human services are
7 authorized to present, review and discuss project-specific tax or employment information or data
8 with the film office, the chairpersons of the house and senate finance committees, and/or the
9 house and senate fiscal advisors for the purpose of verification and compliance with this tax
10 credit reporting requirement.

11 (e) Any agreements or contracts entered into by the film office and the motion picture
12 production company shall be sent to the division of taxation and be available to the public for
13 inspection by any person and shall be published by the tax administrator on the tax division
14 website.

15 (f) By August 15th of each year the motion picture production company shall report the
16 source and amount of any bonds, grants, loans, loan guarantees, matching funds or tax credits
17 received from any state governmental entity, state agency or public agency as defined in section
18 37-2-7 received during the previous state fiscal year. This annual report shall be sent to the
19 division of taxation and be available to the public for inspection by any person and shall be
20 published by the tax administrator on the tax division website.

21 (g) By August 15th of each year the division of taxation shall report the name, address,
22 and amount of tax credit received for each motion picture production company during the
23 previous state fiscal year to the film office, the chairpersons of the house and senate finance
24 committees, the house and senate fiscal advisors, the department of labor and training and the
25 division of taxation. This report shall be available to the public for inspection by any person and
26 shall be published by the tax administrator on the tax division website.

27 (h) On or before September 1, 2011, and every September 1 thereafter, the project lessee
28 shall file an annual report with the tax administrator. Said report shall contain each full-time
29 equivalent, part-time or seasonal employee's name, social security number, date of hire, and
30 hourly wage as of the immediately preceding July 1 and such other information deemed necessary
31 by the tax administrator. The report shall be filed on a form and in a manner prescribed by the tax
32 administrator.

33 SECTION 5. Section 42-142-5 of the General Laws in Chapter 42-142 entitled
34 "Department of Revenue" is hereby repealed.

1 ~~**42-142.5. Annual unified economic development budget report.**~~ (a) ~~The director of~~
2 ~~the department of revenue shall, not later than October 15 of each state fiscal year, compile and~~
3 ~~publish, in printed and electronic form, including on the Internet, an annual unified economic~~
4 ~~development budget report which shall provide the following comprehensive information~~
5 ~~regarding the costs and benefits of all tax credits or other tax benefits conferred pursuant to~~
6 ~~sections 42-64-10, 44-63-3, 42-64.5-5, 42-64.3-6.1, 42-64.9-6.2 and 44-31.2-6.1 during the~~
7 ~~preceding fiscal year:~~

8 ~~(1) The name of each recipient of any such tax credit or other tax benefit; the dollar~~
9 ~~amount of each such tax credit or other tax benefit; and summaries of the number of full-time and~~
10 ~~part-time jobs created or retained, employee benefits provided and the degree to which job~~
11 ~~creation and retention, wage and benefit goals and requirements of recipient and related~~
12 ~~corporations, if any, have been met. The report shall include aggregate dollar amounts for each~~
13 ~~category of tax credit or other tax benefit and for each geographical area within the state; the~~
14 ~~number of recipients within each category of tax credit or other tax benefit; the number of full-~~
15 ~~time and part-time jobs created or retained, the employee benefits provided; and the degree to~~
16 ~~which job creation and retention, wage and benefit rate goals and requirements have been met~~
17 ~~within each category of tax credit or other tax benefit; and~~

18 ~~(2) The dollar amounts of all such tax credits and other tax benefits by each approving~~
19 ~~authority pursuant to sections 42-64-10, 44-63-3, 42-64.5-5, 42-64.3-6.1, 42-64.9-6.2 and 44-~~
20 ~~31.2-6.1, together with the cost to the state and to the approving agency; the value of the tax~~
21 ~~credit or other tax benefits to each recipient thereof; and summaries of the number of full-time~~
22 ~~and part-time jobs created or retained, employee benefits provided, and the degree to which job~~
23 ~~creation and retention, wage and benefit rate goals and requirements of the recipients and related~~
24 ~~corporations, if any, have been met.~~

25 ~~(b) The director of the department of revenue shall provide to the general assembly, as~~
26 ~~part of the annual budget request of the governor, and shall make available to the public via the~~
27 ~~Internet, a comprehensive presentation of the costs of all such tax credits and other tax benefits to~~
28 ~~the state during the preceding fiscal year, an estimate of the anticipated costs of such tax credits~~
29 ~~and other tax incentives for the then-current fiscal year, and an estimate of the costs of all such~~
30 ~~tax credits or other tax benefits for the fiscal year of the requested budget, including, but not~~
31 ~~limited to:~~

32 ~~(1) The total cost to the state of tax expenditures resulting from such tax credits and~~
33 ~~other tax benefits, the costs for each category of tax credits and other tax benefits, and the~~
34 ~~amounts of tax credits and other tax benefits by geographical area;~~

1 ~~-(2) The extent to which any employees of and recipients of any such tax credits or other~~
2 ~~tax benefits has received RItc Care or RItc Share benefits or assistance and the impact that any~~
3 ~~such benefits or assistance may have on the state budget; and~~

4 ~~-(3) The cost to the state of all appropriated expenditures for such tax credits and other~~
5 ~~tax benefits, including line item budgets for every state funded entity concerned with economic~~
6 ~~development, including, but not limited to, the department of labor and training, the department~~
7 ~~of education, the economic development corporation, the commissioner of higher education, and~~
8 ~~the research and business assistance programs of public institutions of higher education.~~

9 ~~-(e) Forthwith upon passage of this act, the director of the department of revenue shall~~
10 ~~undertake to develop a method and a procedure for the collection and analysis of comprehensive~~
11 ~~information on the basis of which the costs and the fiscal and social efficacies associated with~~
12 ~~those tax credits and other tax benefits conferred pursuant to sections 44-31-1, 44-31-1.1, 44-31-~~
13 ~~2, 44-32-2, 44-32-3, 44-42-2 and 44-55-4 may be evaluated and weighed by the executive and~~
14 ~~legislative branches of state government. On or before December 31, 2008, the director shall~~
15 ~~report to the governor and to the chairpersons of the house and senate committees on finance~~
16 ~~upon his or her compliance with this subsection and set forth his conclusions and~~
17 ~~recommendations with respect thereto.~~

18 SECTION 6. Chapter 42-142 of the General Laws entitled "Department of Revenue" is
19 hereby amended by adding thereto the following section:

20 **42-142-6. Annual unified economic development report.** – (a) The director of the
21 department of revenue shall, no later than January 15th of each state fiscal year, compile and
22 publish, in printed and electronic form, including on the Internet, an annual unified economic
23 development report which shall provide the following comprehensive information regarding the
24 tax credits or other tax benefits conferred pursuant to sections 42-64-10, 44-63-3, 42-64.5-5, 42-
25 64.3-1, and 44-31.2-6.1 during the preceding fiscal year:

26 (1) The name of each recipient of any such tax credit or other tax benefit; the dollar
27 amount of each such tax credit or other tax benefit; and summaries of the number of full-time and
28 part-time jobs created or retained, an overview of benefits offered, and the degree to which job
29 creation and retention, wage and benefit goals and requirements of recipient and related
30 corporations, if any, have been met. The report shall include aggregate dollar amounts of each
31 category of tax credit or other tax benefit; to the extent possible, the amounts of tax credits and
32 other tax benefits by geographical area; the number of recipients within each category of tax
33 credit or retained; overview of benefits offered; and the degree to which job creation and
34 retention, wage and benefit rate goals and requirements have been met within each category of

1 tax credit or other tax benefit;

2 (2) The cost to the state and the approving agency for each tax credit or other tax benefits
3 conferred pursuant to sections 42-64-10, 44-63-3, 42-64.5-5, 42-64.3-1, and 44-31.2-6.1 during
4 the preceding fiscal year;

5 (3) To the extent possible, the amounts of tax credits and other tax benefits by
6 geographical area; and

7 (4) The extent to which any employees of and recipients of any such tax credits or other
8 tax benefits has received RItE Care or RItE Share benefits or assistance.

9 (b) After the initial report, the division of taxation will perform reviews of each recipient
10 of this tax credit or other tax benefits to ensure the accuracy of the employee data submitted. The
11 division of taxation will include a summary of the reviews performed along with any adjustments,
12 modifications and/or allowable recapture of tax credit amounts and data included on prior year
13 reports.

14 SECTION 7. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO STATE AFFAIRS AND GOVERNMENT

1 This act would require recipients of certain tax credits to annually file reports with the
2 state tax administrator. The reports would contain employment information for all of their
3 employees. It would also require the director of the department of revenue to annually compile
4 and publish an annual unified economic development report regarding the economic effect of the
5 tax credits and benefits.

6 This act would take effect upon passage.

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