

2020 -- H 7501

=====  
LC004262  
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

—————  
A N A C T

RELATING TO TAXATION -- STUDENT LOAN TAX CREDIT

Introduced By: Representatives Nardone, Chippendale, Quattrocchi, Price, and Roberts

Date Introduced: February 07, 2020

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 70

4 STUDENT LOAN TAX CREDIT ACT

5 **44-70-1. Short title.**

6 This chapter shall be known and may be cited as the "Student Loan Tax Credit Act".

7 **44-70-2. Tax credit.**

8 A taxpayer that is a resident of the state, and obligated for a student loan that is non-  
9 dischargeable in bankruptcy, attending a college, university, or other post-secondary school  
10 within the state, and working within the state, shall be allowed a tax credit up to one thousand  
11 dollars (\$1,000).

12 **44-70-3. Qualification of tax credit.**

13 (a) The taxpayer shall apply to the division of taxation between January 1 and April 15 of  
14 the prior tax year, and the division of taxation shall issue a tax voucher, not to exceed one  
15 thousand dollars (\$1,000), to be filed with the taxpayer's state income tax return for the following  
16 tax year following the application.

17 (b) The taxpayer, when applying for the tax credit in accordance with subsection (a) of  
18 this section, shall submit documentation showing the taxpayer payments to the lender of the  
19 applicable student loan.

1           (c) The approved tax credit shall be paid directly to the taxpayer's lender. The division of  
2 taxation shall make available suitable forms with instructions for claiming the credit.

3           **40-70-4. Implementation of tax credit.**

4           The motion picture production tax credits pursuant to chapter 31.2 of title 44, shall be  
5 reduced in order to provide the student loan tax credit in accordance with this chapter. In the  
6 event the amount of tax credits allocated to chapter 31.2 of title 44, is reduced, for any tax year,  
7 the amount of tax credits available for the student loan tax credit pursuant to this chapter shall be  
8 reduced on a prorata basis.

9           **40-70-5. Administration.**

10           The division of taxation shall promulgate rules and regulations as may be necessary to  
11 implement the provisions of this chapter.

12           SECTION 2. Section 44-31.2-5 of the General Laws in Chapter 44-31.2 entitled "Motion  
13 Picture Production Tax Credits" is hereby amended to read as follows:

14           **44-31.2-5. Motion picture production company tax credit.**

15           (a) A motion picture production company shall be allowed a credit to be computed as  
16 provided in this chapter against a tax imposed by chapters 11, 14, 17, and 30 of this title. The  
17 amount of the credit shall be thirty percent (30%) of the state-certified production costs incurred  
18 directly attributable to activity within the state, provided that the primary locations are within the  
19 state of Rhode Island and the total production budget as defined herein is a minimum of one  
20 hundred thousand dollars (\$100,000). The credit shall be earned in the taxable year in which  
21 production in Rhode Island is completed, as determined by the film office in final certification  
22 pursuant to § 44-31.2-6(c).

23           (b) For the purposes of this section: "total production budget" means and includes the  
24 motion picture production company's pre-production, production, and post-production costs  
25 incurred for the production activities of the motion picture production company in Rhode Island  
26 in connection with the production of a state-certified production. The budget shall not include  
27 costs associated with the promotion or marketing of the film, video, or television product.

28           (c) Notwithstanding subsection (a) of this section, the credit shall not exceed seven  
29 million dollars (\$7,000,000) and shall be allowed against the tax for the taxable period in which  
30 the credit is earned and can be carried forward for not more than three (3) succeeding tax years.  
31 Pursuant to rules promulgated by the tax administrator, the administrator may issue a waiver of  
32 the seven million dollars (\$7,000,000) tax credit cap for any feature-length film or television  
33 series up to the remaining funds available pursuant to section (e) of this section.

34           (d) Credits allowed to a motion picture production company, which is a subchapter S

1 corporation, partnership, or a limited-liability company that is taxed as a partnership, shall be  
2 passed through respectively to persons designated as partners, members, or owners on a pro rata  
3 basis or pursuant to an executed agreement among such persons designated as subchapter S  
4 corporation shareholders, partners, or members documenting an alternate distribution method  
5 without regard to their sharing of other tax or economic attributes of such entity.

6 (e) No more than fifteen million dollars (\$15,000,000) in total may be issued for any tax  
7 year beginning after December 31, 2007, for motion picture tax credits pursuant to this chapter  
8 and/or musical and theatrical production tax credits pursuant to chapter 31.3 of this title. After  
9 December 31, 2019, no more than twenty million dollars (\$20,000,000) in total may be issued for  
10 any tax year for motion picture tax credits pursuant to this chapter and/or musical and theater  
11 production tax credits pursuant to chapter 31.3 of this title. After December 31, 2021, any tax  
12 credit issued pursuant to this chapter shall be reduced to allow for the issuance of tax credits by  
13 the division of taxation in accordance with chapter 70 of title 44. Said credits shall be equally  
14 available to motion picture productions and musical and theatrical productions. No specific  
15 amount shall be set aside for either type of production.

16 SECTION 3. This act shall take effect on January 1, 2021.

=====  
LC004262  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TAXATION -- STUDENT LOAN TAX CREDIT

\*\*\*

1           This act would allow for a tax credit up to one thousand dollars (\$1,000) for any resident  
2 of the state that is obligated for a student loan which is non-dischargeable in bankruptcy, who is  
3 attending a college, university, or other post-secondary school in the state, and working within the  
4 state.

5           This act would take effect on January 1, 2021.

=====  
LC004262  
=====