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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

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A N A C T

RELATING TO TAXATION – BUSINESS TAX CREDIT

Introduced By: Senators Pichardo, Metts, Miller, DaPonte, and Lanzi

Date Introduced: March 10, 2011

Referred To: Senate 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 46.1

4 RHODE ISLAND ENGLISH LANGUAGE EDUCATION BUSINESS TAX CREDIT

5 **44-46.1-1. Legislative findings.** – The general assembly finds that diverse ethnic and
6 linguistic communities have contributed greatly to the social and economic prosperity of Rhode
7 Island. It is the welcomed responsibility and opportunity of the State of Rhode Island to respect
8 and facilitate the efforts of all cultural, ethnic and linguistic segments of the population to become
9 fully engaged participants in the Rhode Island community. Further, the general assembly finds
10 that the State of Rhode Island's economic well-being increasingly depends on foreign and
11 international trade. If Rhode Island is to prosper in this global marketplace, it must have citizens
12 who are multilingual. At the same time, English is and will remain the primary language of the
13 United States, and society recognizes the importance of English to national life, individual
14 accomplishments and personal enrichment. The ability to communicate in English and other
15 languages has promoted and can enhance American economic, political and cultural vitality.
16 While recognizing the value of multilingual backgrounds, the general assembly also realizes the
17 importance of all its citizens becoming proficient in English in order to facilitate full participation
18 of all individuals in society. It is the intent of the general assembly by enactment of this
19 legislation to encourage businesses to educate non-English speaking employees in the English

1 language.

2 **44-46.1-2. Definitions.** – The following definitions shall apply for the purposes of this
3 chapter, unless the context otherwise requires:

4 (1) "Business entity" means a person conducting a trade or business in this state.

5 (2) "Qualified English language training expense" means amounts incurred by a business
6 entity for training in English language literacy to employees of that business entity with limited
7 English language proficiency. Such expenses include, and are limited to:

8 (i) Books and supplies;

9 (ii) Tuition paid or incurred by a business entity to an institution for providing language
10 training to employees of the business;

11 (iii) Pro-rated portion of wages paid or incurred by a business entity to a person for the
12 purpose of providing language training to employees of the business; and

13 (iv) Wages paid to an employee receiving language training to the extent allocable to the
14 time when that employee is receiving training.

15 **44-46.1-3. Tax credit for businesses that provide English language classes to**
16 **employees.** – (a) A qualified business entity may claim a tax credit against taxes otherwise due
17 under the provisions of chapters 11, 13, 14, 15, 17 and 30 of this title in the amount determined
18 under subsection (b), for qualified English language training expenses that are paid in the taxable
19 year for which the business entity claims a credit. The same tax credit may not be applied more
20 than once against different taxes by the same taxpayer.

21 (b) Subject to subsection (a), for each taxable year, a business entity is eligible for a
22 credit allowed in an amount equal to fifty percent (50%) of the qualified English language
23 training expenses paid. The minimum allowable credit for a business is ten thousand dollars
24 (\$10,000) for any taxable year.

25 **44-46.1-4. Administration.** – The tax administrator shall make available suitable forms
26 with instructions for claiming the credit. The claim shall be in a form that the tax administrator
27 may prescribe. The tax administrator may prescribe rules and regulations, not inconsistent with
28 law, to carry into effect the provisions of this chapter.

29 **44-46.1-5. Accounting.** – An itemized accounting of the costs associated with the credit
30 established under this chapter and an affidavit attesting to the facts shall be furnished by the
31 claimant taxpayer to the division of taxation.

1 SECTION 2. This act shall take effect on October 1, 2011, and shall be applicable to all
2 taxable years after December 31, 2011.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION – BUSINESS TAX CREDIT

1 This act would create a tax credit for businesses that provide English language classes for
2 its non-English speaking employees.

3 This act would take effect on October 1, 2011, and would be applicable to all taxable
4 years after December 31, 2011.

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