

RI 10 PERCENT INVESTMENT TAX CREDIT CERTIFICATION

RULES AND REGULATIONS

Definition of Terms

1. **Average Annual Wage** - The wage for a particular Standard Industrial Classification (SIC) code, or the corresponding industry sectors of the corresponding North American Industry Classification System (NAICS), derived from the quarterly wage and employment data reported by all private employers to the Department of Labor and Training under its Quarterly Census of Employment and Wages (QCEW) program. The Department publishes the average annual wage by two and three digit SIC annually.
2. **Full-time Equivalent Employee** - means an employee who works a minimum of 30 hours per week within the state or two part-time employees who together work a minimum of 30 hours per week within the state.
3. **Treatment of employees on Payroll for less than 12 months** - In order to present a fair representation of a company's true median or average annual wage, the wage information for employees on the payroll for less than a full year should be annualized. For example, if someone worked for only 26 weeks during the year his/her wages should be doubled to reflect a full 52 week year. By the same token if someone worked for the first part of a year but did not stay with the company for the full year, his/her wages should also be annualized and included when computing the median annual wage.
4. **Median Annual Wage** - That annual wage determined by ranking the annual wages of all employees from low to high and then taking the wage rate such that half the rates are below that figure and half are above that figure. If there is no one middle number than the median is the arithmetic average of the two middle numbers.
5. **Production Worker** - Includes non-supervisory workers (and working supervisors) who are directly engaged in the manufacture of the product(s) of the establishment and other closely related activities. Types of work include: fabricating, storage, shipping, receiving, warehousing, trucking, packing, handling, maintenance, product development, processing, assembling, janitorial, repair, and record keeping related to production.
6. **Time Period for Employer Computing Median Annual Wage** - The employer applying for the Investment Tax Credit should use the median for the latest 12-month period available provided the time period is at least as current as the latest period used by the Department of Labor and Training for determining the employer's qualification for the Investment Tax Credit.

Certification Process

1. **Certification Form** - Employers may use the Certification Form developed by the Department of Labor and Training (DLT) and available on its web site at www.dlt.ri.gov/lmi/business/itcform.htm, or they may provide the necessary information in another manner. The Certification Form or other vehicle containing the necessary information may be faxed to DLT's Labor Market Information unit at 401-462-8766 or mailed to RI Dept. of Labor and Training, LMI Unit, 1511 Pontiac Avenue, Cranston, RI 02920.

2. **Employer Records** - Employers are responsible for maintaining the necessary records to validate the information provided should they be audited by the State Division of Taxation to verify their claim for the 10 Percent Investment Tax Credit.