

**RHODE ISLAND GOVERNMENT REGISTER
PUBLIC NOTICE OF PROPOSED RULEMAKING**

DEPARTMENT OF REVENUE

Title of Rule: Rules and Regulations for the Rebuild Rhode Island Tax Credit Program

Rule Identifier: 280-RICR-20-20-9

Rulemaking Action: Proposed Amendment

Important Dates:

Date of Public Notice: 09/19/2018

Hearing Date: 10/03/2018

End of Public Comment: 10/20/2018

Authority for this Rulemaking:

R.I. Gen. Laws Sections 42-64.20-1 et seq.

R.I. Gen. Laws § 44-1-4

Summary of Rulemaking Action:

The Rules implement the newly-enacted Rebuild Rhode Island Tax Credit, R.I. Gen. Laws § 42-64.20-1 et seq., which can provide up to \$15 million in tax credits, to be allocated over five years, to a real estate development project. The statute also permits the Board of the Rhode Island Commerce Corporation to approve a sales tax exemption for personal property utilized directly in a project that is eligible for a tax credit. To qualify, a project must be at least \$5 million in total size and the developer must have 20% equity in the project. If it is a commercial project, it must be at least 25,000 square feet and have at least 25 full-time jobs upon completion. If it is residential, it must be at least 20,000 square feet and have 20 units. The Corporation can relax the \$5 million project cost threshold for projects in communities with the highest poverty rates (today, those "Hope Communities" are Providence, Pawtucket, Central Falls, Woonsocket, and West Warwick) or certain designated redevelopment areas. In all cases, the amount of the credit can never exceed 30% of the project cost and can never exceed the project's financing gap. A financing gap is the amount of the total project cost that the developer cannot raise through normally available channels or the amount of money necessary to gain a competitive advantage over a viable out-of-state location for the project.

Additional Information and Comments:

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed amendment until October 20, 2018 by contacting the appropriate party at the address listed below:

Michael Canole

Department of Revenue
Rhode Island Division of Taxation
One Capitol Hill
Providence, RI 002908
michael.canole@tax.ri.gov

Public Hearing:

A public hearing, in accordance with R.I. Gen. Laws § 42-35-2.8, to consider the proposed amendment shall be held on October 3, 2018 at 1:30 pm at Conference Room B, One Capitol Hill, Providence, RI 02908 at which time and place all persons interested therein will be heard. The seating capacity of the room will be enforced and therefore the number of persons participating in the hearing may be limited at any given time by the hearing officer, in order to comply with safety and fire codes.

The place of the public hearing is accessible to individuals who are handicapped. If communication assistance (readers/interpreters/captioners) is needed, or any other accommodation to ensure equal participation, please call 401-574-8729 or RI Relay 711 at least three (3) business days prior to the meeting so arrangements can be made to provide such assistance at no cost to the person requesting.

Regulatory Analysis Summary and Supporting Documentation:

In the development of the proposed regulation, consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) whether the regulation, in and of itself, would have significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

For full regulatory analysis or supporting documentation see agency contact person above.