

RESOLUTION OF THE CITY COUNCIL

No. 217

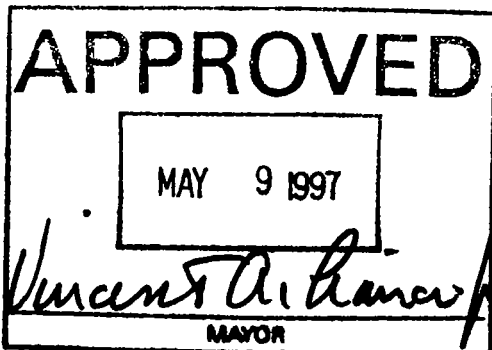
Approved May 9, 1997

RESOLVED, That the City Council endorses and urges passage by the General Assembly of An Act Relating to Personal Income Tax, in substantially the form attached.

IN CITY COUNCIL
MAY 1 1997
READ AND PASSED

Ernest V. Fargnoli
PRES

Michael R. Clement
CLERK



In Atty Council
THE COMMITTEE ON

Mar 6, 1997

Recommends

State Legislation

Michael R. Clement
Clerk

APR 21 1997

State Legislation

Jan M. Angione
Clerk

Council President Fargnoli and Councilman Rollins (By Request):

97S0855

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LC554

STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 1997

A N A C T

RELATING TO PERSONAL INCOME TAX

Introduced By: Senators Roney, Walton, Goodwin, Graziano and Ruggerio

Date Introduced: February 13, 1997

Referred To: Senate Committee on Finance

It is enacted by the General Assembly as follows

SECTION 1. Section 44-30-1.1 of the General Laws in Chapter 44-30 entitled "Personal Income Tax" is hereby amended to read as follows:

44-30-1.1. ~~{DEL Exemption for tax for writers, composers and artists. --}~~ {ADD Exemption for tax for individuals. [Effective January 1, 1997.] -- ADD} (A) This section shall only apply to ~~{DEL- writers, composers and artists-DEL}~~ **{ADD individuals ADD}** residing within a section of the defined economic development zone within the city of Providence and who create such work while residing in the zone. For the purposes of this section, a "work" shall mean an original and creative work, whether written, composed, created or executed for "one-of-a-kind, limited" production, before or after the passing of this section, which falls into one (1) of the following categories:

- (1) a book or other writing;
- (2) a play or the performance **{ADD or production ADD}** of ~~{DEL said-DEL}~~ **{ADD a ADD}** play;
- (3) a musical composition or the performance of ~~{DEL said-DEL}~~ **{ADD a ADD}** composition;
- (4) a painting or other like picture;
- (5) a sculpture;
- (6) traditional and fine crafts;

(7) the creation of a film or the acting of ~~{DEL-said-DEL}~~ {ADD a ADD} film;

(8) the creation of a dance or the performance of ~~{DEL-said-DEL}~~ {ADD a ADD} dance;

For purposes of this section, a "work" does not apply to any piece or performance created or executed for industry oriented or related production.

(B)(1) This section shall apply to any individual:

(a) who is a resident within the section of the economic development zone designated as the Arts and Entertainment District in the downtown area of the city of Providence and deriving the income exempted from within said district while a resident of said zone ~~{DEL-DEL}~~

{ADD or derived from the exhibition or performance of material created or produced in the zone whether performed or exhibited in the district or outside the district. ADD} For the purposes of this section, the arts and entertainment district is defined as the area bounded by Pine Street to the southeast, Dorrance Street to the northeast, Sabin Street to the northwest and Empire Street to the southwest. The abovementioned streets shall be included in the district; and

(b) Who is determined by the tax administrator, after consideration of any evidence in relation to the matter which the individual submits to him or her and after such consultation as may seem to him or her to be necessary with such person or body of persons as in his or her opinion may be of assistance to him or her, to have written, composed or executed either solely or jointly with another individual, a work or works which would fall into one (1) of the categories listed in section (A) above.

(C)(1) An individual to whom this section applies and who duly makes a claim to the tax administrator in that behalf shall, subject to paragraph (2) below, be entitled to have the profits or gains arising to him or her from the publication, production or sale of a work or works in relation to which the tax administrator has made a determination under subsection (B)(1)(b) to be taken as a modification reducing federal adjusted gross income. ~~{DEL-The modification adjusting federal adjusted gross income shall be in effect until December 31, 2003-DEL}~~

(2) The modification authorized by this section shall apply to the year in which the profit or gain from the publication, production or sale of a work is realized.

(D) The tax administrator may serve on an individual who makes a claim under this subsection a notice or notices in writing requiring him or her to make available within such time as may be specified in the notice of all such books, accounts and documents in his or her possession or power as may be requested, being books, accounts and documents relating to the publication, production or sale of the work in respect of the profits or gains of which exemption is claimed.

(E) For the purpose of determining the amount of profits or gains subject to modification under this section, the tax administrator may make such apportionment of receipts and expenses as may be necessary.

(F) Notwithstanding any other provisions of this chapter, any individual seeking relief under this section shall file a Rhode Island personal income tax return listing the modification reducing federal adjusted gross income relating to profits or gains realized from the works as defined herein.

SECTION 2. This act shall take effect upon passage.

**EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
RELATING TO PERSONAL INCOME TAX**

* * *

This act amends the existing statute which grants the sales tax exempt status to artists who live in the city of Providence designated economic development zone to include producers of performing arts productions and also extinguishes the expiration date of the exemption and makes it a permanent exemption.

This act would take effect upon passage.

97S0855

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