



**Rhode Island Commerce**  
CORPORATION

## Potent Incentives for Businesses and Workers

A strong signal of the state's commitment to economic growth, Rhode Island's legislature passed, nearly unanimously and in record time, a powerful suite of new programs aimed at growing businesses and creating jobs. These incentives, benefitting businesses of every size, are some of the most significant and comprehensive in the Northeast, if not the nation.

- Qualified Jobs Incentive
- Anchor Institution Tax Credit
- Industry Cluster Grants
- Small Business Assistance Program
- Rebuild Rhode Island Tax Credit
- Tax Increment Financing
- Main Street Rhode Island
- Tax Stabilization Incentive
- Innovation Vouchers
- Qualified Jobs Incentive
- Wavemaker Fellowship

## General Information

### Corporate tax rate

The corporate income tax rate under Rhode Island General Laws (RIGL) § 44-11-2 is 7%, down from 9%. For some taxpayers, the actual rate could be lower, depending on certain factors.

In addition, effective for tax years beginning on or after January 1, 2015, C-Corporations will use a single sales factor to apportion income to Rhode Island (in lieu of the standard three-factor apportionment formula). The annual corporate minimum tax remains at \$500.

Citation: RIGL 44-11

### Franchise tax repeal

### Personal Income Taxes

Beginning January 2011, Rhode Island's personal income tax structure has been modified to lower the personal income tax rates in the state. Highlights of the legislation include:

- Reduces the number of tax brackets from five to three
- Lowers the top bracket from 9.99% to 5.99%
- Increases standard deductions for taxpayers to between \$7,800 and \$15,600 with personal and dependent exemptions equal to \$3,650

Rhode Island Division of Taxation  
Rhode Island General Law

## General Business Incentives

### Qualified Jobs Incentive

Provides businesses with a base tax credit for creating a minimum number of new jobs in Rhode Island or growing an in-state workforce by a specific percentage.

- Base tax credit: up to \$2,500/new full-time job; Bonus: up to \$7,500/job if certain criteria (targeted industry, hope community, etc.) are met
- Must create a minimum 20 jobs or grow in-state workforce by 10%; lowered to 10 jobs if certain criteria are met
- Benefit may not exceed 10 years in term or income tax withholdings generated by the jobs created; Applications must be received by 12/31/18
- Usable, tradable and redeemable (90% to the state)

Rules and Regulations are under development. Estimated timing to launch the program is fall of 2015.

### Anchor Institution Tax Credit

Compensates existing Rhode Island businesses that attract suppliers, service providers and/or major customers to relocate to Rhode Island.

- Eligible relocations must have 10 jobs 2015-2018;25 jobs 2019-2020
- Sector, location, demonstrated role in relocation decision, impact on state, prevailing brokerage fee and ROI all factors in award
- FY2016 budget includes \$1.75 million to fund the program

Rules and Regulations are under development. Estimated timing to launch the program is fall of 2015.

### Industry Cluster Grants

Competitive grants administered by the Commerce Corporation to start, grow, or improve industry sector partnerships, encouraging companies to work together to solve problems, exchange technology, and share talent.

- Competitive startup and technical assistance grants (\$75-250K)
- Competitive program grants (\$100-500K) to business that enhance cluster growth, effectiveness, etc.

Rules and Regulations are under development. Estimated timing to launch the program is fall of 2015.

## Small Business Assistance Program

Provides businesses with under 200 employees access to capital up to \$750,000 per business.

- Potential uses include: direct lending, collateral support, credit enhancements, co-investing and technical assistance

Rules and Regulations are under development. Estimated timing to launch the program is fall of 2015.

## Innovation Tax Credit

Rhode Island offers a tax credit to encourage investment in high-growth, high-wage innovation industries. The Rhode Island Innovation Tax Credit offers up to a 50% credit on qualified capital investments, with a maximum tax credit of \$100,000. To be eligible to apply for the credit, a company must produce traded goods or services, have annual gross revenues of less than \$1 million in the prior two calendar years, and must be categorized as one of the following innovation industries: biotechnology and life sciences; communication and information technology; financial services; marine and defense manufacturing; professional, technical and educational services; and industrial and consumer product manufacturing and design.

The credit may be carried forward for a period not to exceed three years. Companies must apply for the credit prior to the investment. Once an application is approved, the company has up to 12 months to invest and provide proof of investment to the Commerce Corporation board of directors. Upon completion of this process, the Commerce Corporation will certify the company's eligibility for the credit with the Rhode Island Division of Taxation.

## Rhode Island General Law

### Jobs Growth Act of 2005

The Jobs Growth Act ([RIGL 42-64.11-1](#)) allows eligible businesses in any industry to offer their employees an exclusion of 50% of performance-based compensation from their Rhode Island gross income. In return, the company pays a 5% tax each year on the performance-based income paid that year. An application for certification would be filed with the Rhode Island Commerce Corporation.

- In order to qualify, a company must hire 100 new employees in the state and add at least \$10 million to its state payroll. Those new workers must earn at least 125% of the state's average annual compensation.
- Employees cannot have been previously employed by the company. The tax cut applies only to bonus or incentive income, not base salary.

## Investment Tax Credit: Non-Manufacturing Firms

Firms in certain non-manufacturing industries are also able to take the 10% investment tax credit on owned or leased tangible personal property and other tangible property placed in service on or after January 1, 1998.

The 10% credit is not allowed on buildings, structural components, motor vehicles and furniture for non-manufacturing firms. The investment tax credit may not reduce the taxpayer's liability below 50% of the taxpayer's total tax liability before credits for that year. Unused credits may be carried forward up to seven years.

For more information:

- [Rhode Island Department of Labor & Training](#)
- Rhode Island Division of Taxation, Corporate Tax Division: (401) 222-1120
- [Tax Division Regulation](#)
- [Rhode Island General Law](#)

## Real Estate Incentives

### Rebuild Rhode Island Tax Credit

Provides capital to qualified real estate projects that demonstrate a "financing gap".

- Up to 20% of eligible project costs; 30% if certain criteria are met; \$15M/project cap
- Usable, tradable and redeemable (90% of value)
- Sales tax exemption on building materials may apply
- Credits payable in 5 years following completion (certificate of occupancy)

Rules and Regulations are under development. Estimated timing to launch the program is fall of 2015.

### Tax Increment Financing

Provides capital to eligible projects by rebating new state tax revenue generated.

- Projects must demonstrate need through a "financing gap"
- Reimbursements may not exceed 30% of total project costs (exemption for public infrastructure/utilities) or 75% of incremental revenue generated

Rules and Regulations are under development. Estimated timing to launch the program is fall of 2015.

### Main Street Rhode Island

Funding to stimulate investment in local business districts.

- Grants and loans to attract new investment and jobs in Main Street districts
- Uses include infrastructure, signage, building façade, street lighting, sidewalks, etc.

Rules and Regulations are under development. Estimated timing to launch the program is fall of 2015.

### Tax Stabilization Incentive

Provides an incentive for Rhode Island municipalities to enter into tax stabilization agreements (TSA).

- Up to 10% of forgone tax revenue reimbursed to a local municipality for 12-year TSA
- Projects must more than or equal to \$10 million and create 50 jobs (50% for Hope Communities)

Rules and Regulations are under development. Estimated timing to launch the program is fall of 2015.

## Manufacturing Incentives

### Manufacturing Investment Tax Credit (4%)

A manufacturer is allowed a 4% tax credit against the Rhode Island corporate income tax on buildings and structural components, as well as machinery and equipment, which are owned or leased and are principally used in the production process (including storage). Property principally used for administration and distribution purposes is not eligible. The investment tax credit may not reduce the taxpayer's liability below the minimum business tax. Unused credits may be carried forward for up to seven years.

### High Performance Manufacturing Investment Tax Credit (10%)

High-performance manufacturers are allowed a 10% investment tax credit against their corporate tax on the cost of qualified lease amounts for tangible personal property or other tangible property, as well as buildings and structural components owned, leased to own or leased for at least 20 years. Under current law, credits are transferable between related entities. Unused credits may be carried forward up to 15 years for biotechnology firms and up to seven years for other types of manufacturers.

Biotechnology-related firms wishing to use the Investment Tax Credit beyond seven years must, for each tax year, maintain an average quarterly employment level that is at least 9.5% above the level maintained in the fourth year of the initial credit and pay an average quarterly median wage that is at least equal to the quarterly median wage for the previous three calendar years.

### Rhode Island Department of Labor & Training

### Business Income Apportionment for Manufacturers

Affiliated multi-state corporations may file single, separate Rhode Island corporate tax returns or file a consolidated return. In either case, the corporate net income/net worth is subject to Rhode Island apportionment using the average of a three-factor formula (property, receipts and payroll).

- For tax years beginning on or after January 1, 2005, the alternate apportionment formula allows for a 25% property factor, a 25% payroll factor and a 50% receipts factor.

### Apportionment Exclusion for Medical & Pharmaceutical Manufacturers

A Rhode Island manufacturer of medical instruments, supplies or pharmaceuticals whose facility is registered and certified by the United States Food & Drug Administration may modify the Rhode Island business income apportionment formula for the current tax year.

- The property value portion in the numerator may be reduced by the increase in book value of tangible personal property in Rhode Island in the current taxable year over the previous year.
- The wage value portion in the numerator may be reduced by the increase in total qualified payroll in Rhode Island in the current taxable year over the previous year.

[Read the Rhode Island General Law](#)

### Accelerated Amortization for Defense Industry Manufacturers

Qualified corporations which have annually produced goods worth at least \$10,000,000 at facilities located in Rhode Island, over a period of five consecutive years, may accelerate the amortization of depreciable assets over a five-year period if an average of at least 80% of that production has been for sale to a branch of the United States Armed Services. The company must anticipate the need to reduce its reliance on such sales in order to qualify.

[Read the Rhode Island General Law](#)

### Manufacturing Fuels & Raw Materials Sales Tax Exemption

Sales of tangible personal property, computer software and public utility services are exempt from sales tax when the property or service becomes a component part of a manufactured product for resale, or when the property or service is used in the process of manufacturing or processing products for resale.

### Manufacturing Machinery & Equipment Sales Tax Exemption

Sales, storage, use, or other consumption of tools, dies, and molds, and machinery and equipment (including replacement parts), and related items to the extent used in an industrial plant in connection with the actual manufacture, conversion, or processing of tangible personal property are exempt from sales tax.

## Research and Development

### Innovation Vouchers

Provides financial/technical resources to small businesses in innovation sectors.

- Competitive awards (\$5,000-\$50,000) to purchase R&D technical assistance from state and regional higher-ed institutions

Rules and Regulations are under development. Estimated timing to launch the program is fall of 2015.

### Research & Development Expense Credit

Rhode Island offers a 22.5% tax credit for increases in qualified research expenses – the highest rate in America. This credit is available Rhode Island companies filed as a C-corporation. If the increase above base period expenditures exceeds \$111,111, the credit equals 16.9% of the excess. Unused credits may be carried forward for up to seven years.

[Read the Rhode Island Division of Taxation regulations](#)

[Read the Rhode Island General Law](#)

## Research & Development Property Credit

A taxpayer is allowed a 10% tax credit for expenditures paid or incurred for the construction, reconstruction or acquisition of any property that is principally used or to be used for research and development in the experimental or laboratory sense. Leased property is not eligible. The property must be depreciable and have a useful life of three years or more. This credit is available Rhode Island companies filed as a C-corporation. Unused credit may be carried forward for up to seven years.

[Read the Rhode Island Division of Taxation regulations](#)

[Read the Rhode Island General Law](#)

## Elective Deduction for Research & Development Facilities

In lieu of depreciation or the investment tax credit, a taxpayer is allowed a one-year write-off for expenditures paid or incurred during the taxable year for the construction, reconstruction or acquisition of all qualifying depreciable tangible property, including buildings, which is used or to be used for the purpose of research and development in the experimental or laboratory sense. The deduction is allowed under the corporate income tax.

[Read the Rhode Island Division of Taxation regulations](#)

[Read the Rhode Island General Law](#)

## Research & Development Sales Tax Exemptions

Sales or use of scientific equipment, computers, software and related items to a qualifying firm to be used predominantly for research and development purposes are exempt from Rhode Island Sales and Use Tax.

[Read the Rhode Island General Law](#)

## Workforce Programs

### Qualified Jobs Incentive

Provides businesses with a base tax credit for creating a minimum number of new jobs in Rhode Island or growing an in-state workforce by a specific percentage.

- Base tax credit: up to \$2,500/new full-time job; Bonus: up to \$7,500/job if certain criteria (targeted industry, Hope Community, etc.) are met
- Must create a minimum 20 jobs or grow in-state workforce by 10%\*; lowered to 10 jobs if certain criteria are met
- Benefit may not exceed 10 years in term or income tax withholdings generated by the jobs created; Applications must be received by 12/31/18
- Usable, tradable and redeemable (90% to the state)

Rules and Regulations are under development. Estimated timing to launch the program is fall of 2015.

### Wavemaker Fellowship

Used to attract and retain talent through funding student loan repayment costs to graduates pursuing careers in technology, engineering, design and other key sectors in Rhode Island.

- Four-year reimbursement equal to individual's student loan obligation not to exceed: \$1,000 for an associate's degree, \$4,000 for a bachelor's degree, and \$6,000 for a graduate/post-graduate degree
- 70% of fund dedicated to Rhode Island residents attending Rhode Island institutions

## Job Training Tax Credit

Rhode Island law (RIGL 42-64.6) grants a credit against the corporate income tax (or the insurance premium tax) equal to 50% of eligible training expenditures for new or existing employees, in accordance with an approved training plan. Employees must be full-time, and after training, the employee must earn at least 150% of the Rhode Island minimum wage. Training plans must be filed with the Rhode Island Human Resources Investment Council for prior written approval. The credit is capped at \$5,000 per employee over a three-year period.

For more information, contact the [Governor's Workforce Board](#).

## Jobs Growth Act of 2005

The Jobs Growth Act (RIGL 42-64.11-1) allows eligible businesses in any industry to offer their employees an exclusion of 50% of performance-based compensation from their Rhode Island gross income. In return, the company pays a 5% tax each year on the performance-based income paid that year. An application for certification would be filed with the Rhode Island Commerce Corporation.

- In order to qualify, a company must hire 100 new employees in the state and add at least \$10 million to its state payroll. Those new workers must earn at least 125% of the state's average annual compensation.
- Employees cannot have been previously employed by the company. The tax cut applies only to bonus or incentive income, not base salary.

[Read the Rhode Island General Law](#)

## Adult Education Tax Credit

The Adult Education Tax Credit (RIGL 44-46) allows for a corporate tax credit of 50% of the direct costs for vocational training or basic education, up to a maximum of \$300 per employee. The maximum overall credit is \$5,000 per employer per calendar year. The employee must remain employed by the business for 13 consecutive weeks and a minimum of 455 hours of paid employment before the credit can be claimed. This credit is available Rhode Island companies filed as a C-corporation. Credits cannot be carried forward.

For more information, visit the [Department of Labor & Training](#) and read the [Rhode Island General Law](#).

## Employer's Apprenticeship Tax Credit

Employers of registered full-time apprentices in the metal and plastic industries are eligible for an annual corporate tax credit of 50% of the actual wages paid to the qualifying apprentice, or \$4,800, whichever is less. The number of apprenticeships for which tax credit is allowed must exceed the average number of apprenticeships begun during the five preceding income years. The following trades are eligible: machinist, toolmaker, model-maker, gage maker, pattern-maker, plastic process technician, tool and machine setter, die- sinker, mold-maker, tool and die maker, and machine tool repair.

For more information, visit the [Department of Labor & Training](#) and read the [Rhode Island General Law](#).

## Educational Assistance and Development Credit

A contribution to a Rhode Island institution of higher education is allowed a tax credit of 8% for the amount above \$10,000. The contribution, which can include qualified tangible personal property, must be for the establishment or maintenance of a faculty chair, department, work fellowship, or program of scientific research or education. The 8% tax credit is applied against the corporate income tax, the bank excise tax or the insurance companies tax. Unused credits may be carried forward up to five years.

[Read the Rhode Island General Law](#)

## Job Training Grants

The Governor's Workforce Board offers a training program for business and industry funded through a job development assessment of 0.21% on the firm's taxable payroll. (Each employer's unemployment tax rate is reduced annually by 0.21% to ensure that this program does not result in a tax increase.) This pool of money is available to create customized training programs tailored specifically for a company and free from income and other restrictions imposed by federally-funded programs.

For more information, visit the [Governor's Workforce Board](#) and read the [Rhode Island General Law](#)

## Bonus Program Private Participation

An employer who participates in the Bonus Program, which provides job training for former public assistance recipients, can qualify for a \$250 tax credit per participant. A certificate of eligibility from the Rhode Island Department of Human Services is required. .

For more information, read the Rhode Island General Law [here](#) and [here](#).

## Hiring of Unemployed or Low-Income Residents

A tax credit of 40% of a newly-hired employee's first year wages (up to a maximum of \$2,400) is allowed for individuals or businesses that employ and retain Rhode Island residents who were previously unemployed or receiving public assistance. This tax credit cannot be taken against the taxpayer's personal income tax. The business must seek certification of the employee's unemployment status from the Department of Labor and Training within 30 days of hire. Each eligible employee must:

- Have been a Rhode Island resident for at least 52 consecutive weeks prior to the date of hire

- Previously unemployed for a period of at least 26 consecutive calendar weeks immediately prior to the date of hire
- Either: (1) received public assistance for at least one year preceding the date of hire or (2) have received unemployment benefits from Rhode Island or any other state at any time during the 52 weeks prior to the date of hire.

For more information:

- [Rhode Island Department of Labor & Training](#)
- [Rhode Island Tax Division Regulation](#)
- [Rhode Island General Law](#)

## Foreign Trade Zones

A foreign trade zone (FTZ) is a specially-designated area in or adjacent to a U.S. Customs port of entry, but which is considered to be outside the customs territory of the United States. FTZ #105, originally designated in 1984 and modified in 2008, consists of three different geographic locations in the state of Rhode Island:

1. Thirty-two acres at the Port of Providence, a 185-acre commercial and industrial inter-modal facility owned and operated by Waterson Terminal Services, LLC
2. A 43-acre area at the Airport Business Park adjacent to T.F. Green Airport in Warwick, Rhode Island
3. The Quonset-Davisville Port, an 880-acre area within the Commerce Corporation's premier 3000-acre Quonset Business Park in North Kingstown, Rhode Island. Quonset-Davisville's strategic location, situated between New York and Boston and at the entrance of Narragansett Bay, provides one of the best deep-water ocean ports on the East coast. Major cargo arriving at the port includes automobiles, quarried stone, seafood and general cargo. The port offers three major piers with over 6,800 lineal feet of deep water dockage.

The following is a partial list of benefits when using foreign trade zones or foreign trade subzone:

- Duty exemption on re-exports: If merchandise is re-exported after being placed in a FTZ or shipped to another FTZ and then re-exported, no customs duty is ever paid. If the merchandise is sold domestically, no duty is paid until it leaves the zone or zones.
- Duty elimination on manufacture, re-packaging, waste and scrap: Merchandise in a foreign trade zone may be stored, repackaged, manipulated, manufactured, destroyed, or otherwise altered or changed. No duty is charged on most waste and scrap from production in foreign trade zones.
- Relief from inverted tariffs: Generally, if foreign merchandise is brought into a foreign trade zone or subzone and manufactured into a product that carries a lower duty rate, then the lower rate applies.
- No duty on rejected or defective parts: Merchandise found to be defective or faulty may be returned to the country of origin for repair or simply destroyed. Whichever choice is taken, no duty is paid. Many companies suffer from the "double-duty crunch." That is, they pay duty on imported merchandise, find it to be faulty and

return it to the country of origin for repair, and then pay duty again when the merchandise re-enters the U.S.

- Duty deferral: No duty is ever charged on merchandise while it is in a foreign trade zone, and there is no limit on the length of time merchandise may be kept in a foreign trade zone. By deferring the duty, capital is freed for more important needs.
- No duty on domestic content or value added: The “value added” to a product in a FTZ (including manufacture using domestic parts, cost of labor, overhead and profit) is not included in its dutiable value when the final product leaves the zone. Final duties are assessed on foreign content only.
- Relief from local property taxes: Foreign merchandise stored in foreign trade zones, or merchandise held in a zone for export, is not subject to any state or local property taxes.
- No duty on sales to the U.S. military or NASA: No duty is charged on merchandise sold from a foreign trade zone to the U.S. military or NASA, returned to the country of origin for repair or simply destroyed. Whichever choice is taken, no duty is paid.

## Film & Television Industry Incentives

### Motion Picture Production Tax Credit

Rhode Island provides a transferable 25% tax credit against the Rhode Island State House corporate or personal income tax for all certified costs (including salaries) associated with Rhode Island primary locations of feature-length film, video, video games, television series or commercials. There are no caps on the amount of certified costs that are eligible for the credit. A “primary location” means the locations within which at least 51% of the motion picture principal photography days are filmed. Unused credits can be carried forward for up to three years.

The film/TV commercial/video game production must be filmed primarily in Rhode Island and have a minimum budget of \$300,000. The Rhode Island Port of Entry Act passed in 1997 allows a foreign (non-U.S.) insurance company to become licensed in Rhode Island and, as long as it maintains its base of U.S. operations in Rhode Island, be treated as a Rhode Island domiciled insurance company for the purposes of obtaining licenses in other states.

For more information, visit the [Rhode Island Film and Television Office](#) and read the [Rhode Island General Law](#).

## Financial Services Industry Incentives

### Alien Insurance Companies

The Rhode Island Port of Entry Act passed in 1997 allows a foreign (non-U.S.) insurance company to become licensed in Rhode Island and, as long as it maintains its base of U.S. operations in Rhode Island, be treated as a Rhode Island domiciled insurance company for the purposes of obtaining licenses in other states.

[Read the Rhode Island General Law](#).

### Deregulation of Commercial Lines

This law exempts qualified commercial insurance lines from specific state review requirements, including filing policy forms, casualty insurance rating requirements and

certificate of compliance requirements.

[Read the Rhode Island General Law.](#)

## Income Apportionment

- Depository institutions: Income of banks having a regular place of business outside Rhode Island are entitled to apportion net income using a three-factor formula similar to that used for the corporate income tax. (Excludes the deduction allowed in 44-14-14.1 from the definition of net income.) [Read the Rhode Island General Law.](#)
- Credit card banks: Banking institutions engaged only in credit card business may elect to apportion net income derived directly or indirectly from the banking institution to Rhode Island only to the extent that customers of the taxpayer are domiciled in Rhode Island. Companies choosing this type of income allocation must do so for successive periods of five years. [Read the Rhode Island General Law.](#)
- Regulated investment companies & securities brokerage: Income of regulated investment companies and securities brokerage services may be apportioned to Rhode Island using a one-factor formula based on the ratio of gross sales to Rhode Island residents to gross sales everywhere. [Read the Rhode Island General Law.](#)
- Retirement and pension plans: Pension fund service firms may use a one-factor formula based on the ratio of total Rhode Island receipts to total receipts everywhere. Taxpayers who provide traditional administrative services to pension or retirement plans may elect to have its net income apportioned on the basis of the domicile of its employee beneficiaries. [Read the Rhode Island General Law.](#)

## Insurance Company Retaliatory Tax Exemption

Foreign insurance companies are exempt from gross premiums retaliatory taxes in Rhode Island when their home jurisdiction does not impose a like tax.

[Read the Rhode Island General Law.](#)

## Intangible Personal Property Sales Tax Exemption

Sales or transfers of intangible personal property such as stocks, bonds, accounts receivable, money or insurance policies are exempt from the sales tax.

[Read the Rhode Island General Law.](#)

## Interest and Usury

Rhode Island has no-cap on credit card transactions and authorizes any interest rate agreed upon between lender and debtor that cannot exceed 21%.

[Read the Rhode Island General Law.](#)

## International Investment Management Fee Income Tax Exemption

Companies with at least 500 employees in Rhode Island will not be taxed on fee income derived from international investment management services rendered to investors not domiciled in the U.S. These services include investment advice, investment research, investment consulting, portfolio management, administration or distribution services rendered to or on behalf of non-U.S. persons, and non-U.S. investment funds.

[Read the Rhode Island General Law.](#)

## Interstate Banking

Rhode Island allows out of state banks to operate branch offices in Rhode Island as long as the same opportunities are offered to Rhode Island banks as in their home state.

[Read the Rhode Island General Law.](#)

## Mutual Insurance Holding Companies

The Rhode Island Mutual Holding Company Act effectively permits mutual insurance companies to access capital through stock issues without threatening policy holder rights or sacrificing the benefits of the mutual form of ownership.

[Read the Rhode Island General Law.](#)

## Protected Cell Companies

The protected cell act facilitates insurance securitization transactions and rent-a-captive formation through its protected cell structure. These features are available to domestic insurance companies, domestic reinsurance companies and domestic captive insurance companies. This act also amends Rhode Island captive insurance company laws to allow the formation of reciprocal captives.

[Read the Rhode Island General Law.](#)

## Telecommunication Sales Tax Exemption

Regulated investment companies with at least 500 full-time equivalent employees are exempt from the sales and use tax imposed on toll-free terminating telecommunication service. An eligible company is a regulated investment company or a corporation to the extent such service is provided, directly or indirectly, to or on behalf of a regulated investment company, and employee benefit plan, a retirement plan or a pension plan.

[Read the Rhode Island General Law.](#)