

TAX CREDIT AND INCENTIVE REPORT – FISCAL YEAR 2017

Rhode Island General Laws (RIGL), as specifically delineated below, require the Division of Taxation to annually report a recipient's name, address and amount of tax incentives received during the previous fiscal year in the following categories:

- ❖ Rhode Island Economic Development Corporation Project Status (RIGL § 42-64-10);
- ❖ Incentive for Innovation and Growth (RIGL § 44-63-3);
- ❖ Jobs Development Act (RIGL § 42-64.5);
- ❖ Distressed Areas Economic Revitalization Act – Enterprise Zones (RIGL § 42-64.3);
- ❖ Motion Picture Production Tax Credit (RIGL § 44-31.2);
- ❖ Mill Building and Economic Revitalization Act (RIGL § 42-64.9)¹; and
- ❖ Historic Preservation Tax Credits 2013 (RIGL § 44-33.6).

In addition, effective July 1, 2015, R.I. Gen. Law § 44-33.6-9, Reporting requirements of Historic Preservation Tax Credits 2013 requires the annual reporting in the aggregate of certain information pertaining to projects completed during the year.

The attached report also summarizes the amounts of tax credits and bonds, grants, loans, loan guarantees, matching funds or tax credits received by entities during Fiscal Year 2017 (July 1, 2016 through June 30, 2017).

This attached report merely summarizes the amount of tax credit received along with other incentives received for each project entity during Fiscal Year 2017. This report is not intended to provide an analysis as to the effectiveness of this or any other tax credit or incentive.

By law, businesses are required to submit the information, under penalties of perjury, to the Division of Taxation, which then verifies and compiles the data and publishes it in a report, which the agency makes available on its website, www.tax.ri.gov.

A total of **18** businesses received more than **\$21.6 million** in state tax incentives for the year ended June 30, according to the attached report published on August 15, 2017.

The Annual Tax Credit Disclosure Report focuses on seven tax incentives that were created to help spur job creation and economic development – including sales tax exemptions, corporate tax rate reductions, and motion picture production tax credits.

Since 2008, more than **365** businesses have received a cumulative total of **\$290 million** in Rhode Island tax credits and incentives.

Neena S. Savage
Tax Administrator

¹ Expired August 8, 2009, pursuant to RIGL § 42-64.9-12



Rhode Island Department of Revenue

Division of Taxation

Annual Tax Credit Disclosure Report – Fiscal Year Ending June 30, 2017

Tax Credit and Incentive	Number of Taxpayers	Total Amount of Credit
RI EDC Project Status – RIGL 42-64-10	0	\$0.00
Incentives for Innovation and Growth – RIGL 44-63 -- Repealed December 31, 2016 --	0	\$0.00
Jobs Development Act – RIGL 42-64.5	5	\$8,953,610.00
Distressed Areas Economic Revitalization Act – Enterprise Zones - RIGL 42-64.3	0	\$0.00
Mill Building and Economic Revitalization Act – RIGL 42-64.9 -- Repealed August 8, 2009 --	0	\$0.00
Motion Picture Production Tax Credits – RIGL 44-31.2	5	\$3,133,769.08
Historic Preservation Tax Credits 2013 – RIGL 44-33.6	8	\$9,479,331.09
FYE 2017 Tax Credits and Incentives	18	\$21,566,710.17

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- Rhode Island Economic Development Corporation Project Status – RIGL 42-64-10

There were no credits issued under this chapter during the fiscal year.

Total for RI Economic Development Corporation Project Status	\$	<u><u>0.00</u></u>
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- Incentives for Innovation and Growth – RIGL 44-63-3

There were no credits issued under this chapter during the fiscal year.

Total for Incentives for Innovation and Growth	\$	0.00
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Pursuant to § 44-63-5, the corporation shall not approve any application for tax credit eligibility after December 31, 2016, and the chapter shall be repealed on said date.



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- Jobs Development Act – RIGL 42-64.5

Citizens Bank, National Association..... 1 Citizens Drive, RDC 260D Riverside, RI 02915	\$ 7,074,323.00
CVS Pharmacy, Inc..... One CVS Drive Woonsocket, RI 02895	\$ 1,845,848.00
Electric Boat Corporation..... 75 Eastern Point Road Groton, CT 06340	\$ 3,144.00
Rite-Solutions Inc..... 185 S. Broad Street – Suite 303 Pawcatuck, CT 06379	\$ 10,135.00
United Natural Foods, Inc..... 313 Iron Horse Way Providence, RI 02908	\$ 20,160.00
Total for Jobs Development Act	\$ <u>8,953,610.00</u>

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- Distressed Areas Economic Revitalization Act – Enterprise Zones – RIGL 42-64.3

There were no credits issued under this chapter during the fiscal year.

Total for Distressed Areas Economic Revitalization Act – Enterprise Zones	\$	<u><u>0.00</u></u>
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Pursuant to § 42-64.3-6(7), no new credits shall be issued on or after July 1, 2015 unless the business has received certification under this chapter prior to July 1, 2015.

Annual Tax Credit Disclosure Report – Fiscal Year Ending June 30, 2017

▪ Motion Picture Production Tax Credits – RIGL 44-31.2

Anders Manor LLC 205 Sunnybrook Farm Rd Narragansett, RI 02882	\$	30,400.55
Discovery Productions Inc. 9100 Wilshire Blvd. – Suite 100-W Beverly Hills, CA 90212	\$	998,575.62
New Year Productions LLC 222 Jefferson Blvd – Suite 200 Warwick, RI 02888	\$	92,968.00
November Criminals Production LLC 1875 Century Park East – Suite #2150 Los Angeles, CA 90067	\$	1,444,829.08
One Fat Summer Productions, LLC 1342 N. Laurel Avenue - #101 West Hollywood, CA 90046	\$	566,995.83
Total for Motion Picture Production Tax Credits.....	\$	<u>3,133,769.08</u>

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▪ Historic Preservation Tax Credits 2013 – RIGL 44-33.6-9

110 Kenyon LLC 180 Main Street Pawtucket, RI 02860	\$ 375,000.00
Brady Sullivan Eagle Street LLC 670 N. Commercial Street Manchester, NH 03101	\$ 3,426,067.40
BVG II Limited Partnership 204 Broad Street Pawtucket, RI 02860	\$ 628,282.80
Cromwell Ventures LLC 234 5 th Avenue, Suite 319 New York, NY 10001	\$ 1,625,000.00
Cromwell Ventures LLC 234 5 th Avenue, Suite 319 New York, NY 10001	\$ 525,000.00
Downcity Revitalization Fund I, LLC 46 Aborn Street Providence, RI 02903	\$ 2,217,980.89
HM Ventures Group 7 LLC 257 Grand Street #33 Brooklyn, NY 11211	\$ 482,000.00
LDRE Properties Providence LLC 41 Ocean Road Narragansett, RI 02882	\$ 200,000.00
Total for Historic Preservation Tax Credits 2013	\$ <u>9,479,331.09</u>

Annual Tax Credit Disclosure Report – Fiscal Year Ending June 30, 2017

- Additional Incentives Received - If an entity receives any of the six preceding credits or incentives being reported, it must also disclose any additional credits or incentives it received from any state governmental agency, state agency or public agency.

CVS Pharmacy – Jobs Development Act

- Jobs Training Credit - \$588,428
- Investment Tax Credit - \$482,985
- R & D Expense - \$87,988

Electric Boat – Jobs Development Act

- Jobs Training Credit - \$2,769,167
- Investment Tax Credit - \$8,940

Historic Preservation Tax Credits 2013

Additional Reporting Requirements pursuant to
R.I. Gen. Laws § 44-33.6-9, **Reporting requirements**

In accordance with subsection 44-33.6-9(e), by September 1st of each year the division of taxation shall report in the aggregate the following information required under subsection 44-33.6-9(a) for each taxpayer requesting certification of a completed rehabilitation.

For projects requesting certification as of August 15, 2017:

(1) The number of total jobs created	1301.5
(2) The number of Rhode Island businesses retained for work	770
(3) The total amount of qualified rehabilitation expenditures	\$84,023,547
(4) The total cost of materials or products purchased from Rhode Island businesses	\$29,836,470