State of Rhode Island and Providence Plantations

Form RI-107

Tax Incentives for Employers

14103799990101

Your name	Social security/federal identification number	
Address	For the tax year	
Address 2		
City, town or post office	State	ZIP code

In the section below, list the name and required information for each employee for whom qualifying costs are claimed. The employee must remain employed by the business for a minimum period of 52 consecutive weeks **AND** a minimum of 1,820 hours of paid employment **BEFORE** the employer can claim the credit.

Attach a copy of each employee's certification of eligibility under this program issued by the Department of Labor & Training.

(a) Employee Name	(b) Social Security Number	(c) Employee's Anniversary Date	(d) Employee's First Year Wages	(e) Multiply Wages in (d) times 40%	(f) Incentive (Max $2,400)

1. Total Incentive for all employees. Add together all of the amounts in column (f)..... [ ]

Instructions:

Column (a): Enter the name of each employee for whom wages under this chapter are claimed.
Column (b): Enter each employee's complete social security number.
Column (c): Enter each employee's anniversary date of hire.
Column (d): Enter the amount of "First year wages" paid to each employee
Column (e): For each employee, calculate the incentive per employee by multiplying the first year wages from column (d) by 40%.
Column (f): For each employee, enter the lesser of the amount in column (e) or $2,400.00.

Line 1. Add up the incentive amount for each employee from column (f) and enter here.
This is your Tax Incentives for Employers. Enter here and on RI-1040 or RI-1040NR, Schedule M, line 2m; RI-1120C, Schedule B, line 2f; Form RI-1120S, Schedule B, line 2c; Form RI-1065, Schedule B, line 2c; Form T-71, line 3d, or Form T-74, Schedule B, line 4.

TAX INCENTIVES FOR EMPLOYERS
RIGL § 44-55

I. General:
In general, a taxpayer who is an employer will be allowed a modification to net income used to determine tax imposed by Chapters 11, 13, 14, 15, 17 and 30 of Title 44. The amount of the incentive is 40% of the first year wages paid to an eligible employee(s).

II. Definitions:
1. "Business" means any corporation, limited liability company, partnership, individual, sole proprietorship, joint stock company, joint venture or any other legal entity through which business is legally conducted or the successors or assigns thereof.

2. "Unemployed" means and refers to an individual who attests that he or she is not working and (a) has received unemployment compensation benefits under Chapter 28-44 of the RI General Laws or any similar laws of another state any time within a one-year period before the date of hire; or (b) has been a recipient of Rhode Island Aid to Families with Dependent Children (Chapter 40-6) for a minimum of one year before the date of hire.

3. "Paid employment" shall mean a period of time during which any employee has been hired by a business and is receiving Rhode Island wages or salaries for his or her service.

4. "Tax incentives or incentive" means a deduction or modification in the computed taxes owed by a claimant business.

5. "First year wages" shall mean the Rhode Island wages or Rhode Island salary of the newly-hired employee and actually paid by the business for a period of 365 days from the employee's first day of work as evidenced by the W-2's provided by the claimant's business for the calendar years into which such time period falls. Wages subject to the incentive shall be reduced by any direct state or federal assistance.

III. Calculation of the credit:
1. At the end of the business' tax year, the employer claims the incentive for each employee who has been finally certified during that tax year by the Department of Labor and Training.

2. The incentive is calculated using the W-2's for each employee to determine the "first year wages". Since the "first year wages" are the Rhode Island wages or Rhode Island salary of the newly-hired employee and actually paid by the business for a period of 365 days from the employee's first day of work, the W-2's for more than one year will be used. The employer must reduce that amount by any direct state or federal assistance received for that employee.

3. The incentive is calculated using Form RI-107 at forty percent (40%) of the employee's first year wages up to a maximum of $2,400. The employer attaches Form RI-107 and a copy of the certification from the Department of Labor and Training for each employee claimed to the tax return being filed for that year and enters the incentive where appropriate in the tax calculation.

IV. MINIMUM TAX AND CARRYOVER:
1. The incentive cannot reduce the business' tax for that year below the minimum (if any) for the chapter under which the business is filing.

2. Any amount of incentive not used in the business' tax year may not be carried over to any following year.

V. LIMITATIONS AND MISCELLANEOUS:
1. The incentive (deduction or modification) is not refundable.

2. The incentive may be used by the claimant business for taxes levied under 44-11 (Business Corporation Tax); 44-13 (Public Service Corporation Tax), but not 44-13-13; 44-14 (Bank Excise Tax); 44-15 (Bank Deposits Tax); 44-17 (Taxation of Insurance Companies); and 44-30 (Personal Income Tax).

3. If the business is liable for both Bank Excise and Bank Deposits taxes (44-14 and 44-15), the taxpayer must elect only one tax in which to claim the incentive and may not divide the incentive between the two taxes.

4. If the business is a Sub-chapter S corporation, limited liability company, partnership or joint venture, the incentive is to be divided in the same manner as income.

5. In the event that the hiring of the employee is used to obtain any other tax incentive or tax benefit for the business, the business will not be eligible for the incentive available in this chapter.