

**TABLE 15
TAXATION**

	State	Local
I. Corporate Income Tax/Franchise Tax		
Rate (range)	7.0% flat as of 1/1/2015 ; Permanent reduction of rate down to 3.0% possible with hiring incentives.	None
Formula (e.g. Sales, Property & Payroll)	Sales, Property & Payroll Equally Weighted	None
Federal Taxes Deductible	No	None
Accelerated Depreciation Permitted (Yes or No)	Yes (Sec. 179 up to federal maximum starting 2014)	None
II. Personal Income Tax		
Rate (Range)	State 3.75%-5.99% (\$7,800 deduction for single, \$15,600 for married)	Local None
Earned Income	3.75%-5.99%	None
Unearned Income (e.g. Dividend)	3.75%-5.99%	None
III. Local Occupation Tax (Paid by Employee)		
City Residents	None	None
Non-City Residents	None	None
IV. Local Wage Tax (Paid by Employer)		
City Residents	None	None
Non-City Residents	None	None
V. Gross Receipts Tax Rate by Type of Business		
A) \$25 for gross receipts less than \$50,000		
B) \$35 for gross receipts from \$50,000 to \$99,999		
C) \$75 for gross receipts from \$100,000 to \$399,999		
D) \$100 for gross receipts from \$400,000 to \$999,999		
E) \$125 plus fraction thereof per \$1,000,000		
VI. Sales/Use Tax Rate		
State	7.00%	
Local	0.00%	
Total	7.00%	
Sales Tax Rate by Utility:		
Electric Power	resale	
Natural Gas	resale	
Fuel Oil	resale	
Water	resale	
Sewer	Not subject to state sales tax	
Hazardous Waste Disposal	Not subject to state sales tax	
VII. Telephone		
Local	Subject to state sales/use tax	
Long Distance In State	Subject to state sales/use tax	
Long Distance Out of State	Subject to state sales/use tax	
VIII. Machinery & Equipment Subject to Sales/Use Tax		
Production	Exempt (Tangible personal property, including utilities, used in the production process is not subject to sales/use taxes)	
Non-Production	Subject	
Pollution Control	Exempt (Once approved by state Department of Environmental Management)	
Office Furniture/Fixtures/Equipment	Exempt if administrative equipment is placed in the processing room and used for production, Subject otherwise	
Sales/Use Tax (Yes or No) on:		
Office Building Construction Materials	Yes, but R&D facilities are exempt, as are real estate purchases and reconstruction of damaged manufacturing facilities	
Industrial Building Construction Materials	No	
Manufacturers' Raw Materials	No	
Standard Software	No	
Custom Software	No	
IX. Intangible Property		
Describe What is Subject to Tax Rate (e.g. Accounts Receivable, Capital Stock)	Corporate tax rate OR capital stock tax apply (not both). Intangible property shall not be subject to property tax of any jurisdiction per RIGL §44-3-2.1	
Basis & Rate	Capital stock is taxed at \$2.50 per \$10,000 and each fraction thereof in lieu of corporate tax if such an amount is greater than the corporate tax due.	
Stock Bond Transaction Fee (Yes or No & its Yes Rate)	No	
X. Real Property Tax Rates for Jurisdictions Featuring	A	
Major Employment Centers		
City Millage		
County Millage		
School Millage		
Special District Millage		
Assessment Ratio (%)		
Effective Rate per \$100	http://www.municipalfinance.ri.gov/documents/data/taxrates/2014-Tax-Rates-12-31-13-FINAL.pdf for detailed millage rates per community.	
XI. Personal Property Tax Rates per \$100	A	
City Millage		
County Millage		
School Millage		
Special District Millage		
Assessment Ratio (%)		
Effective Rate per \$100	http://www.municipalfinance.ri.gov/documents/data/taxrates/2014-Tax-Rates-12-31-13-FINAL.pdf for detailed millage rates per community.	
XII. State Property Tax Effective Rate per \$100		
Real Property	No State Property Tax	
Personal Property (machinery/equipment)	No State Property Tax	
XIII. Property Tax After Core Income Tax		
Rate	N/A	
Basis & Rate	N/A	

XIV. Property Tax After Core Income Tax & State Excise Tax	
Taxable Items	N/A
Rate for Each Item	N/A
XV. Subject to Personal Property Tax	
Production Machinery & Equipment	Exempt per RIGL §44-3-3
Non Production Machinery & Equipment	Subject
Pollution Control	Exempt per RIGL §44-3-3
Inventory	Exempt per RIGL §44-3-3
Raw Materials	Exempt per RIGL §44-3-3
Work in Progress	Exempt per RIGL §44-3-3
Finished Goods	Exempt per RIGL §44-3-3
Freeport Legislation	N/A Not Structured this Way
Applicable to Warehousing	Exempt per RIGL §44-3-3
Applicable to Manufacturing	Exempt per RIGL §44-3-3
Goods Stored in a Public Warehouse	Exempt per RIGL §44-3-3
Office Furniture-Fixtures	Localities may exempt per §44-3-3.1
Computer Equipment	Localities may exempt per §44-3-3.1
Workstations	Localities may exempt per §44-3-3.1
Telephones	Localities may exempt per §44-3-3.1
Furniture	Localities may exempt per §44-3-3.1
Company Vehicles	Subject
Standard Software	Tax on intangible property exempt per §44-3-2.1
Custom Software	Tax on intangible property exempt per §44-3-2.1

Sources

Federation of Tax Administrators: Apportionment of Corporate Income. <<http://www.taxadmin.org/fta/rate/apport.pdf>>
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