

2024 -- H 7406

LC003978

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO TAXATION -- SUPPLY CHAIN RELOCATION INCENTIVES

Introduced By: Representative P. Morgan

Date Introduced: January 31, 2024

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 72

4 SUPPLY CHAIN RELOCATION INCENTIVES

5 **44-72-1. Supply chain relocation tax credits and other incentives**

6 Every entity that relocates any part of the United States supply chain that currently is
7 located in another country to Rhode Island shall be eligible to receive:

8 (1) Ten (10) years of zero percent (0%) property tax payments. Manufacturing entities shall
9 receive an additional ten (10) years in which the property tax increases by ten percent (10%) every
10 year until it reaches one hundred percent (100%) in the tenth year of production. The state shall
11 reimburse the municipality.

12 (2) A one hundred percent (100%) tax credit for the cost of placing solar arrays or
13 hydroelectric turbines at its facility.

14 (3) A fifty percent (50%) credit for all materials and labor used to increase the energy
15 conservation efficiency of the physical plant.

16 (4) A tax credit equal to fifty percent (50%) of the state income tax owed by the entity for
17 fifteen (15) years commencing in the first year the entity begins production.

18 (5) A tax credit for all sales taxes on construction materials used in the initial construction
19 or renovation of the facility.

- 1 (6) For the first fifteen (15) years of production, the entity shall receive:
- 2 (i) A tax credit equal to seventy-five percent (75%) of the cost of employee training. This
3 tax credit applies to in-house training. The entity’s employees shall also be eligible for free tuition
4 at any Rhode Island state college for instruction required to improve job performance. The entity
5 shall attest to the value and necessity of the college instruction to its operations for the employee
6 to be eligible.
- 7 (ii) A tax credit equal to fifty percent (50%) of the cost for technology or equipment used
8 to reduce the waste stream or combat pollution.
- 9 (7) For re-shoring manufacturing production lines to Rhode Island, the entity shall receive:
- 10 (i) One hundred percent (100%) expensing of equipment costs needed for re-shoring.
- 11 (ii) A tax credit for all sales taxes on materials, labor and permits for the initial construction
12 or renovation of the facility, to accommodate the re-shoring.
- 13 (iii) An investment tax credit equal to twenty-five percent (25%) of the cost of equipment
14 for re-shoring.
- 15 (iv) Aid from low interest grants for re-shoring.
- 16 (v) Aid from the innovation voucher program for equipment acquisition for re-shoring.
- 17 (vi) Internal and external training of employees through the Real Jobs Rhode Island
18 program.
- 19 SECTION 2. This act shall take effect upon passage.

=====
LC003978
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION -- SUPPLY CHAIN RELOCATION INCENTIVES

1 This act would provide tax credits to an entity that relocates any part of the United States
2 supply chain currently in another country to Rhode Island. This act would also provide tax credits
3 and incentives to an entity that re-shores manufacturing production lines to Rhode Island relating
4 to its costs and expenses.

5 This act would take effect upon passage.

=====
LC003978
=====