

# RI H 5076, Enacted - Interim

Rhode Island

SUMMARY: Makes appropriations for the support of the State for the specified fiscal year; relates to State funds, government reform and reorganization, Debt Management Act joint resolutions, taxes and fees, economic development, education, medical assistance, motor vehicles and transportation, leases, and revised appropriations.~SAME AS:

Changes in Bill text reflected as:

~~Text Deleted~~

*Text Added*

~~Text Vetoed~~

Current Legislative Status

01/16/2025 INTRODUCED.

01/16/2025 To HOUSE Committee on FINANCE.

06/08/2025 Scheduled for hearing and/or consideration 06/10/2025.

06/08/2025 Scheduled for hearing and/or consideration 06/11/2025.

06/08/2025 Scheduled for hearing and/or consideration.

06/10/2025 From HOUSE Committee on FINANCE: Recommended as substituted.

06/10/2025 Placed on House Calendar 06/17/2025.

06/16/2025 Scheduled for hearing and/or consideration 06/18/2025.

06/17/2025 Amended on HOUSE floor.

06/17/2025 Passed HOUSE. \*\*\*\*\*To SENATE.

06/17/2025 To SENATE Committee on FINANCE.

06/18/2025 From SENATE Committee on FINANCE: Recommended passage.

06/18/2025 Placed on Senate Calendar 06/20/2025.

06/20/2025 Passed SENATE.

06/21/2025 \*\*\*\*\*To GOVERNOR.

06/29/2025 Became law without GOVERNOR'S signature.

07/02/2025 Public Law No. 2025-278

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session: Rhode Island 2025-26 Legislative Session

cite: 2025 RI H 5076

Enacted - Interim

June 29, 2025

Abney

**2025 -- H 5076 SUBSTITUTE A AS AMENDED**

**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2025**

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**AN ACT**

**MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR  
ENDING JUNE 30, 2026**

**Introduced By:** Representative Marvin L. Abney

**Date Introduced:** January 16, 2025

**Referred To:** House Finance

(Governor)

It is enacted by the General Assembly as follows:

**\*\*\*TEXT OMITTED, DOES NOT PERTAIN TO FILM\*\*\***

SECTION 12. Sections 44-31.2-5 and 44-31.2-6 of the General Laws in Chapter 44-31.2 entitled "Motion Picture Production Tax Credits" are hereby amended to read as follows:

**44-31.2-5. Motion picture production company tax credit.**

(a) A motion picture production company shall be allowed a credit to be computed as provided in this chapter against a tax imposed by chapters 11, 14, 17, and 30 of this title. The amount of the credit shall be thirty percent (30%) of the state-certified production costs incurred directly attributable to activity within the state, provided:

- (1) That the primary locations are within the state of Rhode Island and the total production budget as defined herein is a minimum of one hundred thousand dollars (\$100,000); or
- (2) The motion picture production incurs and pays a minimum of ten million dollars (\$10,000,000) in state-certified production costs within a twelve-month (12) period.

The credit shall be earned in the taxable year in which production in Rhode Island is completed, as determined by the film office in final certification pursuant to § 44-31.2-6(c).

(b) For the purposes of this section: "total production budget" means and includes the motion picture production company's pre-production, production, and post-production costs incurred for the production activities of the motion picture production company in Rhode Island in connection with the production of a state-certified production. The budget shall not include costs associated with the promotion or marketing of the film, video, or television product.

(c) Notwithstanding subsection (a) of this section, the credit shall not exceed seven million dollars (\$7,000,000) and shall be allowed against the tax for the taxable period in which the credit is earned and can be carried forward for not more than three (3) succeeding tax years. Pursuant to rules promulgated by the tax administrator, the administrator may issue a waiver of the seven million dollars (\$7,000,000) tax credit cap for any feature-length film or television series up to the remaining funds available pursuant to section (e) of this section.

(d) Credits allowed to a motion picture production company, which is a subchapter S corporation, partnership, or a limited liability company that is taxed as a partnership, shall be passed through respectively to persons designated as partners, members, or owners on a pro rata basis or pursuant to an executed agreement among such persons designated as subchapter S corporation shareholders, partners, or members documenting an alternate distribution method without regard to their sharing of other tax or economic attributes of such entity.

(e) No more than fifteen million dollars (\$15,000,000) in total may be issued for any tax year beginning after December 31, 2007, for motion picture tax credits pursuant to this chapter and/or musical and theatrical production tax credits pursuant to chapter 31.3 of this title. After December 31, 2019, no more than twenty million dollars (\$20,000,000) in total may be issued for any tax year for motion picture tax credits pursuant to this chapter and/or musical and theater production tax credits pursuant to chapter 31.3 of this title. Said credits shall be equally available to motion picture productions and musical and theatrical productions. No specific amount shall be set aside for either type of production.

(f) Exclusively for tax year 2022 **and tax year 2023**, the total amount of motion picture tax credits issued pursuant to this section and/or musical and theatrical production tax credits pursuant to chapter 31.3 of this title shall not exceed ~~thirty million dollars (\$30,000,000)~~ **thirty-five million dollars (\$35,000,000)**.

(g) Exclusively for ~~tax year 2023 and~~ tax year 2024, the total amount of motion picture tax credits issued pursuant to this section and/or musical and theatrical production tax credits pursuant to chapter 31.3 of this title shall not exceed forty million dollars (\$40,000,000).

**44-31.2-6. Certification and administration.**

(a) Initial certification of a production. The applicant shall properly prepare, sign, and submit to the film office an application for initial certification of the Rhode Island production. The application shall include such information and data as the film office deems necessary for the proper evaluation and administration of the application, including, but not limited to, any information about the motion picture production company, and a specific Rhode Island motion picture. The film office shall review the completed application and determine whether it meets the requisite criteria and qualifications for the initial certification for the production. If the initial certification is granted, the film office shall issue a notice of initial certification of the motion picture production to the motion picture production company and to the tax administrator. The notice shall state that, after appropriate review, the initial application meets the appropriate criteria for conditional eligibility. The notice of initial certification will provide a unique identification number for the production ***based on the estimated completion date of the production*** and is only a statement of conditional eligibility for the production and, as such, does not grant or convey any Rhode Island tax benefits. ***The motion picture production company is responsible for notifying the film office and the Rhode Island division of taxation if it does not expect to complete its production within the same calendar year of its estimated completion date. If the motion picture production company does not expect to complete its production within the same calendar year of its estimated completion date, it shall notify both the film office and the Rhode Island division of taxation immediately upon learning of the reason for the change in completion date.***

(b) Final certification of a production. Upon completion of the Rhode Island production activities, the applicant shall request a certificate of good standing from the Rhode Island division of taxation. The certificates shall verify to the film office the motion picture production company's compliance with the requirements of § 44-31.2-2(11). The applicant shall properly prepare, sign, and submit to the film office an application for final certification of the production and which must include the certificate of good standing from the division of taxation. In addition, the application shall contain such information and data as the film office determines is necessary for the proper evaluation and administration, including, but not limited to, any information about the motion picture production company, its investors, and information about the production previously granted initial certification. The final application shall also contain a cost report and an "accountant's certification." The film office and tax administrator may rely without independent investigation, upon the accountant's certification, in the form of an opinion, confirming the accuracy of the information included in the cost report. Upon review of a duly completed and filed application, the film office will make a determination pertaining to the final certification of the production. Within ninety (90) days after the division of taxation's receipt of the motion picture production company final certification and cost report, the division of taxation shall issue a certification of the amount of credit for which the motion picture production company qualifies under § 44-31.2-5. To claim the tax credit, the division of taxation's certification as to the amount of the tax credit shall be attached to all state tax returns on which the credit is claimed.

(c) Final certification and credits. Upon determination that the motion picture production company qualifies for final certification, the film office shall issue a letter to the production company indicating "certificate of completion of a state-certified production." A motion picture production company is prohibited from using state funds, state loans, or state guaranteed loans to qualify for the motion picture tax credit. All documents that are issued by the film office pursuant to this section shall reference the identification number that was issued to the production as part of its initial certification.

(d) The director of the Rhode Island council on the arts, in consultation as needed with the tax administrator, shall promulgate such rules and regulations as are necessary to carry out the intent and purposes of this chapter in accordance with the general guidelines provided herein for the certification of the production and the resultant production credit.

(e) The tax administrator of the division of taxation, in consultation with the director of the Rhode Island film and television office, shall promulgate the rules and regulations as are necessary to carry out the intent and purposes of this chapter in accordance with the general guidelines for the tax credit provided herein.

(f) Any motion picture production company applying for the credit shall be required to reimburse the division of taxation for any audits required in relation to granting the credit.

\*\*\*TEXT OMITTED, DOES NOT PERTAIN TO FILM\*\*\*

SECTION 13. This article shall take effect upon passage.

**ARTICLE 14**

RELATING TO EFFECTIVE DATE

SECTION 1. This act shall take effect as of July 1, 2025, except as otherwise provided herein.

SECTION 2. This article shall take effect upon passage.