

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Governor Gina M. Raimondo

Fiscal Year 2013



Unified Economic Development Report

Office of Revenue Analysis

Issue Date: October 12, 2016

List of Companies That Did Not Comply with Rhode Island General Law

The following companies that received tax incentives or benefits as reported by the Division of Taxation in the *Tax Credit and Incentive Report – Fiscal Year 2013* did not comply with Rhode Island General Law as it pertains to the submission to the Tax Administrator of “each full-time equivalent, part-time or seasonal employee’s name, social security number, date of hire, and hourly wage as of the immediately preceding July 1” by September 1 of the year immediately following the fiscal year contained in the report. The lack of reporting of this required data may prevent the Office of Revenue Analysis from conducting a complete cost-benefit analysis of the tax incentives or benefits listed below.

Project Status Sales and Use Tax Exemption:

Statutory Reference: Rhode Island General Law Section 42-64-10(k)

1. Immunex Rhode Island Corp.
1 Amgen Center Drive
Thousand Oaks, CA 91320
2. Parmatech Proform Corporation
55 Service Avenue
Warwick, RI 02886

Jobs Development Act Business Corporations Tax Rate Reduction:

Statutory Reference: Rhode Island General Law Section 42-64.5-8

1. AAA Southern New England and Subsidiaries
110 Royal Little Drive
Providence, RI 02904
2. AAA Southern New England Bank
110 Royal Little Drive
Providence, RI 02904

Enterprise Zone Wage Tax Credit:

Statutory Reference: Rhode Island General Law Section 42-64.3-6.1(h)

1. Child Care Connection, Inc. dba The Children’s Workshop
45 Industrial Road, Suite 100
Cumberland, RI 02864

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Unified Economic Development Report

Fiscal Year 2013

Introduction

Rhode Island General Law § 42-142-6, titled *Annual Unified Economic Development Report*, requires the Director of the Department of Revenue to “compile and publish...an annual unified economic development report which shall provide...comprehensive information regarding the tax credits or other tax benefits conferred pursuant to §§ 42-64-10, 44-63-3, 42-64.5-5, 42-64.3-1, and 44-31.2-6.1 during the preceding fiscal year”. The Director of Revenue tasked the Chief of the Office of Revenue Analysis with executing this requirement.

Part I of the report includes the required comprehensive information as follows:

1. The name of each tax credit / tax benefit recipient and the dollar amount of each tax credit or other tax benefit received;
2. Summaries of the full-time and part-time jobs created or retained for each tax credit / tax benefit recipient;
3. The employee benefits offered by each tax credit / tax benefit recipient;
4. The degree to which each tax credit / tax benefit recipient met the job creation and retention and wage and benefit goals and requirements of the tax credit / tax benefit, if any such goals and requirements exist for the recipient of the tax credit / tax benefit;
5. Aggregate dollar amounts for each tax credit or other tax benefit;
6. The total number of jobs created or retained for each tax credit or other tax benefit;
7. An overview of the employee benefits offered for each tax credit or other tax benefit;
8. The degree to which each tax credit or other tax benefit has met the job creation and retention and wage and benefit goals and requirements, if any such goals and requirements exist for the tax credit / tax benefit;
9. The cost to the State and the approving agency for each tax credit or other tax benefit conferred;
10. To the extent possible, the amounts of tax credits or other tax benefits by geographical area within the state; and
11. The extent to which any employees and/or recipients of the tax credits or other tax benefits have received RItE Care or RItE Share benefits or assistance.

In addition to the comprehensive information noted above, beginning January 15, 2014, the *Annual Unified Economic Development Report* is to include a cost-benefit analysis, prepared by the Office of Revenue Analysis, based upon the data collected for the report, to the extent that appropriate data exists for such an analysis to be conducted. The *FY 2013 Unified Economic*

Development Report is the first report that is subject to this requirement. The cost-benefit analysis for each of the tax incentives noted above “may include, but shall not be limited to,”

1. The cost to the state for the foregone revenue attributable to the tax credit or tax benefit;
2. The cost to administer the tax credit or tax benefit (this information is already captured in 9. above);
3. The projected revenues gained from the tax credit or tax benefit;
4. Other metrics that can be measured for the tax credit or tax benefit along with a baseline assessment of the original intent of the legislation;
5. The stated purpose of the tax credit or tax benefit to the extent that it is provided in the enabling legislation; and
6. Any measurable goals established by the granting authority of the tax credit or tax benefit.

If possible, the cost-benefit analysis shall cover a five-year period projecting the cost and benefits over this period. The cost-benefit analysis of the tax credits or tax benefits cited above are in Part II of this report.

It should be noted that the statute¹ governing the Annual Unified Economic Development Report does not require the Director of Revenue to opine on or make recommendations concerning the tax credits or other tax benefits contained in the report. The statute simply requires the Director of Revenue to report on the tax credits or other tax benefits based on the data provided to the Division of Taxation.

Tax Credits / Tax Benefits Included in the Report

The tax credits / tax benefits covered by this report are:

- **Rhode Island General Law § 42-64-10.** This tax benefit, commonly referred to as *Project Status*, provides a sales and use tax exemption to lessees or sub-lessees of the Rhode Island Economic Development Corporation² (RIEDC) for “materials used in the construction, reconstruction, or rehabilitation” of a project approved by the Rhode Island Economic Development Corporation “and to the acquisition of fixtures, furniture, and equipment except automobiles, trucks and other motor vehicles, or materials that otherwise are depreciable and have a useful life of one (1) year or more” provided that said items are used in the project. The sales and use tax exemption cannot exceed “an amount equal to the income tax revenue received by the state from the new full-time jobs with benefits...generated by the project within a

¹ The complete statute covering the Annual Unified Economic Development Report is contained in Appendix A.

² Rhode Island General Law Chapter 42-64 entitled “Rhode Island Commerce Corporation” transferred the duties and powers of the Rhode Island Economic Development Corporation to the Rhode Island Commerce Corporation. Passage of the act making this transfer occurred during the 2013 Session of the General Assembly effective January 1, 2014. This report covers FY 2013 which transpired prior to passage of this act and thus the Rhode Island Economic Development Corporation name is used throughout this report.

period of three (3) years from after the receipt of a certificate of occupancy for any given phase of the project”.

In exchange for this sales and use tax exemption, RIEDC establishes the number of new jobs that must be added and maintained by the lessee or sub-lessee. In addition, the statute requires that the lessee or sub-lessee pay the new employees one hundred and five percent (105%) of the annual median wage for full-time jobs within the qualifying company’s industry. The new jobs must also come with a health insurance and retirement benefit package that is typical for the qualifying company’s industry. The sales tax benefits granted a lessee or sub-lessee is effective only for projects approved prior to July 1, 2011.

Recipients of the Project Status sales and use tax exemption generally enter into agreements with RIEDC that cover the amount of money that must be invested in the project, the Project Status lessee’s base employment, the number of new jobs the Project Status lessee must add as a result of the grant of project status, the wage that the Project Status lessee must pay its employees, the benefits package that the Project Status lessee must offer its employees, the time frame under which the Project Status lessee must meet its employment and wage and benefit goals, and the length of time for which the Project Status agreement is in effect. Conditions contained in these agreements, particularly those entered into in the 1990s may contain employment and wage goals that differ from those specified in statute. The Office of Revenue Analysis, upon the advice of Department of Revenue legal counsel, measured the achievement of Project Status objectives by a lessee as these objectives were outlined in the lessee’s Project Status agreement rather than as they are indicated in state law.

- **Rhode Island General Law § 44-63-3**. Titled *Incentives for Innovation and Growth*, Rhode Island General Law § 44-63-3 provides for a credit against the business corporation tax (Rhode Island General Law Chapter 44-11), the franchise tax (Rhode Island General Law Chapter 44-12)³, and the personal income tax (Rhode Island General Law Chapter 44-30)⁴ “in an amount equal to fifty percent (50%) of any investment made” in a company that operates in an “innovation industry”. For an investment in an “innovation industry” company to be eligible for this credit, the company must have had gross revenues of less than \$1,000,000 in each of the preceding two calendar years.

The maximum amount of an individual credit is \$100,000. Determination of company eligibility for the receipt of such an investment is made by the Rhode Island Economic Development Corporation in conjunction with the Rhode Island Science and Technology Advisory Council (RISTAC). The aggregate amount of tax credits that can be issued in any two year period is \$1,000,000.

³ The franchise tax was repealed during the 2014 legislative session effective for tax years beginning on or after January 1, 2015. See Rhode Island Public Law Chapter 145, Article 12, Section 20.

⁴ The Incentives for Innovation and Growth tax credit was allowed against the personal income tax for tax years ending on or before December 31, 2010.

No employment or wage criteria need to be met by the qualifying company in order to receive the credit. The Rhode Island Economic Development Corporation (RIEDC) is required, however, to produce an impact analysis which, among other things, requires RIEDC to identify “[T]he approximate number of full-time, part-time, temporary, seasonal, and/or permanent jobs projected to be created, construction and non-construction”, “[T]he approximate wage rates for each category of the identified jobs” and “[T]he types of fringe benefits to be provided with the identified jobs, including health care insurance and any retirement benefits”. Finally, the Incentives for Innovation and Growth tax credit sunsets on December 31, 2016.

- **Rhode Island General Law § 42-64.5-5.** Titled *Jobs Development Act*, Rhode Island General Law § 42-64.5-5 provides for a reduction in the business corporation tax rate for each new unit of employment that is added to a company’s previously established base employment. A unit of employment consists of ten (10) new full-time equivalent employees for companies with base employment levels of one hundred (100) or less full-time employees or fifty (50) new full-time equivalent employees for companies with base employment of more than one hundred (100) full-time employees. For each unit of employment added the qualifying company receives a one-quarter of one percent (0.25%) reduction in the business corporation tax rate up to a maximum reduction of six percent (6%) for all companies other than telecommunications companies which receive a maximum reduction of one percent (1%).⁵ Failure to maintain employment levels above the base employment results in the permanent expiration of the rate reduction.

Prior to July 1, 2009, a full-time equivalent active employee was any employee who worked at least 30 hours per week or two or more part-time employees whose combined weekly hours totaled at least 30 hours per week. In addition to hiring new employees, companies that qualified for the rate reduction prior to July 1, 2009 had to pay each new employee one hundred and fifty percent (150%) of the hourly minimum wage as prescribed by Rhode Island law at the time the employee was first treated as a full-time equivalent active employee. For companies that qualified for the rate reduction prior to July 1, 2009, there were no requirements as to the provision of health and retirement benefits.

For companies that qualify for the Jobs Development Act rate reduction on or after July 1, 2009, new full-time equivalent active employees are employees that work at least 30 hours per week and are paid two hundred and fifty percent (250%) of the hourly minimum wage as prescribed by Rhode Island law at the time the employee

⁵ Passage of Article 12 of 14-H-7133 Substitute A as amended, titled “Relating to Making Appropriations for the Support of the State for the Fiscal Year Ending June 30, 2015” changed the rate reduction allowed for each unit of new employment and the maximum rate reduction allowed under Rhode Island General Law § 42-64.5-5 effective for tax years beginning on or after January 1, 2015. For tax years beginning on or after January 1, 2015, the tax rate imposed under Rhode Island General Law § 44-11-2 on the apportioned net income of C-corporations is reduced to 7.0 percent (from the current law tax rate of 9.0 percent). For all tax years in which the 7.0 percent business corporation tax rate applies (i.e., January 1, 2015 and thereafter), the rate reduction for each new unit of employment allowed under Rhode Island General Law § 42-64.5-5 is reduced to one-fifth of one percent (0.20%) and the maximum rate reduction allowed is reduced to four percent (4%).

was first treated as a full-time equivalent active employee. Companies that qualify for the rate reduction on or after July 1, 2009 must also provide to each full-time equivalent active employee “healthcare insurance benefits, and retirement benefits”.

- **Rhode Island General Law § 42-64.3-1.** Titled *Distressed Areas Economic Revitalization Act*, Rhode Island General Law § 42-64.3-1 is commonly referred to as the Enterprise Zone Wage Credit. The Enterprise Zone Wage Credit provides for a tax credit against the business corporation tax (Rhode Island General Law Chapter 44-11), the public service corporation tax (Rhode Island General Law Chapter 44-13 except for § 44-13-13), the taxation of banks (Rhode Island General Law Chapter 44-14), the taxation of insurance companies (Rhode Island General Law Chapter 44-17), or the personal income tax (Rhode Island General Law Chapter 44-30).⁶ Only companies located in a designated enterprise zone, as determined by the Rhode Island Enterprise Zone Council (RIEZC), are eligible for the credit.

The allowable tax credit is equal to fifty percent (50%) of the wages paid to a newly hired employee, up to a maximum of \$2,500, if the employee does not reside in a designated enterprise zone, or seventy-five percent (75%) of wages paid, up to a maximum of \$5,000, if the employee is domiciled in a designated enterprise zone. In order to qualify for the credit, the qualifying company must increase total employment by at least five percent (5%) from the previous calendar year and have its total Rhode Island payroll exceed the prior year’s total Rhode Island payroll. There are no benefit criteria to receive this tax credit. Unused amounts of the tax credit can be carried forward for up to three years provided that when the carry forward amount is used, the tax credit recipient has not lowered its employment below the levels that were required for the recipient to earn the tax credit in the first place.⁷

- **Rhode Island General Law § 44-31.2-6.1.** Titled *Motion Picture Production Tax Credits*, Rhode Island General Law § 44-31.2-6.1 provides a motion picture production company a tax credit against the business corporation tax (Rhode Island General Law Chapter 44-11), the taxation of banks (Rhode Island General Law Chapter 44-14), the taxation of insurance companies (Rhode Island General Law Chapter 44-17), or the personal income tax (Rhode Island General Law Chapter 44-30) in an amount of “twenty-five percent (25%) of the state certified production costs incurred directly attributable to activity within the state, provided that the primary locations are within the state of Rhode Island.” For motion picture productions that were certified prior to July 1, 2012, primary locations are locations at which at least fifty-one percent (51%) of the principal photography days were filmed in Rhode Island. In addition, the minimum amount of state certified production costs incurred is \$300,000 for those motion picture productions that were certified prior to July 1, 2012.

⁶ The Enterprise Zone Wage Credit was allowed against the personal income tax for tax years ending on or before December 31, 2010.

⁷ No new Enterprise Zone tax credits will be issued on or after July 1, 2015 unless the business has received certification prior to this date.

For motion picture productions that are certified on or after July 1, 2012, the minimum amount of state certified production costs incurred is \$100,000 and primary locations are defined as locations (1) at which at least fifty-one percent (51%) of the principal photography days were filmed in Rhode Island; or (2) at which at least fifty-one percent (51%) of the motion picture's final production budget is spent and at which at least five (5) individuals are employed in Rhode Island; or (3) for documentary productions, at which at least fifty-one percent (51%) of the total production costs, including both pre- and post-production costs, are incurred in Rhode Island. Finally, the amount of credit allowed any single production is capped at \$5,000,000.

Effective July 1, 2012, qualified musical and theatrical productions are allowed a tax credit equal to twenty-five percent (25%) of the total production and performance expenditures and transportation expenditures against the business corporation tax (Rhode Island General Law Chapter 44-11), the taxation of banks (Rhode Island General Law Chapter 44-14), the taxation of insurance companies (Rhode Island General Law Chapter 44-17), or the personal income tax (Rhode Island General Law Chapter 44-30). The total production budget for these productions must be at least \$100,000 and the total amount of credit earned is capped at \$5,000,000 per production.

Motion picture and musical and theatrical productions must be certified as eligible for a tax credit by the Rhode Island Film and TV Office (RIFTVO). In each case, the tax credit is assignable and transferable and effective January 1, 2008 the total amount of credits issued for both motion picture and musical and theatrical productions are capped at \$15,000,000 in total for both sets of credits. Finally, no motion picture or musical and theatrical production tax credits can be issued on or after July 1, 2019.⁸

No employment or wage criteria need to be met by the motion picture or musical and theatrical production company in order to qualify for the credit. RIFTVO is required, however, to produce an impact analysis which, among other things, requires RIFTVO to identify "[T]he approximate number of full-time, part-time, temporary, seasonal, and/or permanent jobs projected to be created, construction and non-construction", "[T]he approximate wage rates for each category of the identified jobs" and "[T]he types of fringe benefits to be provided with the identified jobs, including health care insurance and any retirement benefits".

Data Collected for the Report

In the 2011 session⁹, the General Assembly amended Rhode Island General Law §§ 42-64-10, 42-64.3-6.1, 42-64.5-8, 44-31.2-6.1 and 44-63-3 to require that "[O]n or before September 1 2011, and every September 1 thereafter" the recipients of tax credits / tax benefits under the

⁸ Article 13, Section 17 of 16-H-7454 Substitute A as amended extended the date after which no motion picture or musical and theatrical production tax credits can be issued to July 1, 2021.

⁹ See Rhode Island Public Laws 2011, Chapter 151, Article 19, §§ 5 – 8.

Rhode Island Economic Development Corporation's Project Status designation, Distressed Areas Economic Revitalization Act, Jobs Development Act,¹⁰ Motion Picture Production Tax Credits, and Incentives for Innovation and Growth provide the tax administrator with an annual report containing "each full-time equivalent, part-time or seasonal employee's name, social security number, date of hire, and hourly wage as of the immediately preceding July 1 and such other information deemed necessary by the tax administrator." The annual reports filed by the recipients of the tax benefits received under these various statutes are the source of the data provided in this report. Calculations included in the report were done by the Office of Revenue Analysis based on this data. The accuracy of the data is the sole responsibility of the recipients of the tax credits / tax benefits and not the Office of Revenue Analysis.

The Office of Revenue Analysis (ORA) obtained tax credit / tax benefit amounts from the Rhode Island Division of Taxation's *Tax Credit and Incentive Report — Fiscal Year 2013*. Detailed data on "each full-time equivalent, part-time, or seasonal employee's name, social security number, date of hire, and hourly wage as of the immediately preceding July 1" for each tax benefit recipient was also provided to ORA by the Division of Taxation. Any errors of fact or interpretation of the data provided by the Division of Taxation are the sole responsibility of the Office of Revenue Analysis. ORA provided the Rhode Island Executive Office of Health and Human Services (EOHHS) with social security numbers of all employees, by employer, so that EOHHS could determine the extent to which a given tax credit / tax benefit recipient's employees utilized the state's RIte Care and RIte Share health insurance programs.

Office of Revenue Analysis' Approach to the Report

The Department of Revenue's Office of Revenue Analysis (ORA) was tasked by the Director to produce Part I of the report required by Rhode Island General Law § 42-142-6. The Office of Revenue Analysis relied on the data provided to the Division of Taxation, to the extent such data was provided, as required by Rhode Island General Law §§ 42-64-10(k), 42-64.3-6.1(h), 42-64.5-8, 44-31.2-6.1(h) and 44-63-3(i). ORA made no attempt to verify the accuracy of the data provided and made minimal corrections to the data in order to be able to execute specific calculations for the report. The data included in this report is unaudited and reported as compiled.

¹⁰ In the case of the Jobs Development Act the effective dates of the reporting requirement are "[O]n or before September 1, 2009 and every September 1 thereafter.

Part I

Required Comprehensive Information

Summary of Part I Findings

The table below lists, by tax credit / tax benefit, the aggregate dollar amounts and the number of recipients of each tax credit or other tax benefit for FY 2013:

Name of Tax Credit / Tax Benefit	Aggregate Dollar Amounts	Number of Recipients[^]
RI Economic Development Corporation – Project Status	\$ 2,164,797	6
Incentives for Innovation and Growth	0	0
Jobs Development Act	15,283,897	6
Distressed Areas Economic Revitalization Act	383,503	7
Motion Picture Production Tax Credit	70,723	1
[^] Figures in column do not represent the unique number of recipients of a tax credit / tax benefit as recipients may qualify for more than one tax credit / tax benefit. Subsidiaries of parent companies that qualified for a tax credit / tax benefit are reported with the parent company and count as one recipient.		

The table below lists, by tax credit / tax benefit and to the extent possible, the amounts of tax credits and other tax benefits by geographical area in FY 2013:

Geographical Area (in alphabetical order)	Amount of Tax Credit / Tax Benefit
Cumberland	\$194,818
East Providence	90,962
Johnston	350,000
Middletown	9,851
North Kingstown	582,894
Portsmouth	2,500
Providence	300,776
Smithfield	244,327
Warren	40,294
West Greenwich	258,315
Woonsocket	15,588,862
It should be noted that \$239,322 of tax incentives could not be tied to a single geographic area.	

The table below lists, by tax credit / tax benefit, an overview of the employee benefits offered and the number of tax credit / tax benefit recipients that offered employee benefits in FY 2013:

Name of Tax Credit / Tax Benefit	Number of Recipients Offering Health Insurance	Number of Recipients Offering Retirement
RI Economic Development Corporation – Project Status ^	3	2
Incentives for Innovation and Growth	n/a	n/a
Jobs Development Act*	5	5
Distressed Areas Economic Revitalization Act †	6	4
Motion Picture Production Tax Credit	1	0
<p>^ Figure reflects those tax credit / tax benefit recipients that provided data to the Division of Taxation as required by Rhode Island General Law § 42-64-10. Two tax credit / tax benefit recipients failed to provide the required data to the Division of Taxation.</p> <p>* Figure reflects those tax credit / tax benefit recipients that provided data to the Division of Taxation as required by Rhode Island General Law § 42-64.5-8. One tax credit / tax benefit recipient failed to provide the required data to the Division of Taxation.</p> <p>† Figure reflects those tax credit / tax benefit recipients that provided data to the Division of Taxation as required by Rhode Island General Law § 42-64.3-6.1. One tax credit / tax benefit recipient failed to provide the required data to the Division of Taxation.</p>		

The table below lists, by tax credit / tax benefit, the degree to which tax credit / tax benefit recipients met job creation and retention goals in FY 2013:

Name of Tax Credit / Tax Benefit	Percentage of Recipients That Met Job Creation/Retention Goals
RI Economic Development Corporation – Project Status ^	100.0
Incentives for Innovation and Growth	No Job Creation / Retention Goals Specified
Jobs Development Act *	80.0
Distressed Areas Economic Revitalization Act †	100.0
Motion Picture Production Tax Credit	No Job Creation / Retention Goals Specified

^ Figure reflects those tax credit / tax benefit recipients that provided data to the Division of Taxation as required by Rhode Island General Law § 42-64-10. Two tax credit / tax benefit recipients failed to provide the required data to the Division of Taxation. One tax credit / tax benefit recipient provided the required data to the Division of Taxation, but the Office of Revenue Analysis was unable to determine whether the job creation/retention goals were met from the data provided. These three tax credit / tax benefit recipients are not included in the percentage calculation.

* Figure reflects those tax credit / tax benefit recipients that provided data to the Division of Taxation as required by Rhode Island General Law § 42-64.5-8. One tax credit / tax benefit recipient failed to provide the required data to the Division of Taxation

† Figure reflects data as provided by the Rhode Island Economic Development Corporation’s Enterprise Zone Council. No attempt was made to verify the figures provided by the Enterprise Zone Council.

The table below lists, by tax credit / tax benefit, the degree to which tax credit / tax benefit recipients met wage and benefit goals in FY 2013:

Name of Tax Credit / Tax Benefit	Percentage of Recipients That Met Wage and Benefit Goals
RI Economic Development Corporation – Project Status ^	100.0
Incentives for Innovation and Growth	No Wage or Benefit Goals Specified
Jobs Development Act *	100.0
Distressed Areas Economic Revitalization Act †	100.0 / No Benefit Goal Specified
Motion Picture Production Tax Credit	No Wage or Benefit Goals Specified
<p data-bbox="201 632 1344 863">^ Figure reflects those tax credit / tax benefit recipients that provided data to the Division of Taxation as required by Rhode Island General Law § 42-64-10. Two tax credit / tax benefit recipients failed to provide the required data to the Division of Taxation. One tax credit / tax benefit recipient provided the required data to the Division of Taxation, but the Office of Revenue Analysis determined that this tax credit / tax benefit recipient did not have mandated wage and benefit goals that had to be met. These three tax credit / tax benefit recipients are not included in the percentage calculation.</p> <p data-bbox="201 873 1305 972">* Figure reflects those tax credit / tax benefit recipients that provided data to the Division of Taxation as required by Rhode Island General Law § 42-64.5-8. One tax credit / tax benefit recipient failed to provide the required data to the Division of Taxation.</p> <p data-bbox="201 982 1349 1081">† Figure reflects data as provided by the Rhode Island Economic Development Corporation’s Enterprise Zone Council. No attempt was made to verify the figures provided by the Enterprise Zone Council.</p>	

The table below lists, by tax credit / tax benefit, the extent to which any employees of and/or recipients of tax credits / tax benefits received RItE Care or RItE Share benefits or assistance in FY 2013:

Name of Tax Credit / Tax Benefit ^	Number of Employees Receiving RItE Care or RItE Share	Cost to State of the Employees Receiving RItE Care or RItE Share
RI Economic Development Corporation – Project Status *	17	\$ 111,596
Incentives for Innovation and Growth	n/a	n/a
Jobs Development Act †	125	\$ 809,977
Distressed Areas Economic Revitalization Act ‡	61	\$ 602,564
Motion Picture Production Tax Credit **	0	\$ 0
Multiple Tax Credits / Tax Benefits Received	105	\$ 615,547
<p>^ Figure reflects only those tax credit / tax benefit recipients that received the Projects Status Sales Tax Exemption, the Jobs Development Act (JDA) rate reduction or the Enterprise Zone Wage Credit as their only tax credit / tax benefit. Data for the two (2) recipients that received multiple tax credits / tax benefits are listed under the Multiple Tax Credits / Tax Benefits Received line.</p> <p>* Figure reflects those tax credit / tax benefit recipients that provided data to the Division of Taxation as required by Rhode Island General Law § 42-64-10. Two tax credit / tax benefit recipients failed to provide the required data to the Division of Taxation.</p> <p>† Figure reflects those tax credit / tax benefit recipients that provided data to the Division of Taxation as required by Rhode Island General Law § 42-64.5-8. One tax credit / tax benefit recipient failed to provide the required data to the Division of Taxation</p> <p>‡ Figure reflects those tax credit / tax benefit recipients that provided data to the Division of Taxation as required by Rhode Island General Law § 42-64.3-6.1. One tax credit / tax benefit recipient failed to provide the required data to the Division of Taxation.</p>		

The table below lists, by tax credit / tax benefit, the cost to the state and the approving agency for the administration of each tax credit or other tax benefit in FY 2013:

Name of Tax Credit / Tax Benefit	Approving Agency	Cost to Administer Tax Credit / Tax Benefit *
RI Economic Development Corporation – Project Status	RIEDC	\$ 22,811
Incentives for Innovation and Growth	RIEDC	\$ 48
Jobs Development Act	Division of Taxation	\$ 11,429
Distressed Areas Economic Revitalization Act	RIEDC	\$ 31,004
Motion Picture Production Tax Credit	RI Film & TV Office	\$ 21,667
<p>* The cost to administer the tax credit / tax benefit program include both the direct costs incurred by the approving agency and the indirect costs of awarding and auditing the tax credits / tax benefits that are incurred by the Division of Taxation to the extent that such indirect costs could be determined.</p>		

Detailed Results of Part I by Tax Credit / Tax Benefit

A written description of the detailed results of Part I of the report by tax credit / tax benefit program follows. These written descriptions include references to tables that show the information required in the report by tax credit / tax benefit recipient.

Project Status

Total FY 2013 sales and use tax exemptions granted under Rhode Island Economic Development Corporation (RIEDC) Project Status designation were \$2,164,797. Six (6) recipients received this tax benefit, with three (3) recipients under a long-term agreement with RIEDC for the Project Status sales and use tax exemption. One (1) recipient did not have a Project Status sales and use tax agreement with RIEDC and was included as a Project Status tax benefit recipient as an error. Of the 6 companies that received a tax credit for FY 2013, two (2) did not provide the Division of Taxation with the data required by Rhode Island General Law subsection 42-64-10(k). The geographic locations of the tax benefit recipients are directly related to the location of the projects that were built under the Project Status agreement. The five projects with Project Status agreements with RIEDC were located in East Providence, Johnston, Smithfield, West Greenwich and Woonsocket. Detailed results by tax credit / tax benefit recipient are contained in Table I.

Based on data submitted by three (3) Project Status sales and use tax exemption recipients, a total of 1,103 part-time jobs, no temporary jobs, and 9,493 full-time jobs were reported for FY 2013. All three recipients of Project Status sales and use tax exemptions met or exceeded the job creation and retention goals contained in the respective Project Status agreements. With respect to new job creation during the investment time period as specified in the agreements, the Office of Revenue Analysis was able to determine that two Project Status sales and use tax exemption

recipients met these goals as outlined in their respective Project Status agreements.¹¹ With respect to the wage and benefit criteria, only four of the five Project Status sales and use tax exemption recipients had wage and benefit goals specified in their Project Status agreements. Both Project Status sales and use tax exemption recipients who submitted data and had specified goals, met the wage goals specified in their respective Project Status agreements. Three of the Project Status sales and use tax exemption recipients offered health insurance and two offered retirement benefit packages, however, ORA was unable to determine whether the benefit packages that were offered were “typical for the qualifying company’s industry”.

The Rhode Island Executive Office of Health and Human Services (EOHHS) provided ORA with information on the number of employees of Project Status sales and use tax exemption recipients that received RIte Care and/or RIte Share benefits during FY 2013.¹² EOHHS also provided ORA with the amount of benefits received. Based on the information provided by EOHHS, ORA reports that two (2) of the four (4) companies that only received tax benefits under the Project Status sales and use tax exemption had employees who received RIte Care and/or RIte Share benefits through EOHHS.¹³ A total of 17 employees of the two companies had \$111,596 of medical services paid for under the State’s Medicaid program. Detailed results of the utilization of RIte Care and RIte Share benefits for Project Status recipients are included in Table VI.

Finally, ORA surveyed RIEDC and the Division of Taxation to ascertain the cost for the administration of the Project Status sales and use tax exemption. ORA found that the total cost to administer the tax benefit was \$22,811. The direct cost incurred by RIEDC in FY 2013 to administer the Project Status sales and use tax exemption was \$12,430 while the indirect costs incurred by the Division of Taxation to administer the exemption were \$10,381 in FY 2013.

Incentives for Innovation and Growth

For FY 2013, no companies took the Incentives for Innovation and Growth tax credit against business corporations, franchise, and/or personal income taxes. The Incentives for Innovation and Growth tax credit has no employment or wage criteria that must be met in order to receive the credit.

¹¹ The Office of Revenue Analysis (ORA) was unable to definitively determine if one recipient of the Project Status sales and use tax exemption met the new job creation criteria set forth in the Project Status agreements. ORA’s inability to make these definitive determinations was not due to noncompliance with state law by the particular recipient. Rather, ORA could not make a definitive determination as a result of the inherent limits on the data provided to the Division of Taxation by the Project Status recipients. See footnotes 3 and 8 in Table I for a more detailed explanation.

¹² The figures reported here are for companies that received only the Project Status sales and use tax exemption as a tax credit / tax benefit in FY 2013. One company that received the Project Status sales and use tax exemption also received other tax credits/ tax benefits that are required to be reported by Rhode Island General Law Section 42-142-6. The data on the utilization of RIte Care and RIte Share benefits by their employees is reported separately after the section that covers the Motion Picture Production Tax Credit.

¹³ Two companies that were reported as receiving the Project Status sales and use tax exemption did not provide data to the Division of Taxation as required by Rhode Island General Law Subsection 42-64-10(k).

Jobs Development Act

For FY 2013, eight (8) companies received a business corporation tax rate reduction under the Jobs Development Act. It should be noted that two (2) of these eight (8) companies were eligible subsidiaries of an eligible company that also received the Jobs Development Act corporate income tax rate reduction. Rhode Island, as a separate entity filing state,¹⁴ allows subsidiaries to file business corporation tax returns separately from the parent company and receive the rate reduction on that return. Of the six (6) parent companies that received a tax credit for FY 2013, one (1) did not provide the Division of Taxation with the data required by Rhode Island General Law § 42-64.5-8. The value of this tax benefit for these eight corporations was \$15,283,897. Of the six (6) parent companies that received business corporation tax rate reductions, two (2) are located in Providence, and one (1) each is located in East Providence, Middletown, North Kingstown and Woonsocket. Detailed results by tax credit / tax benefit recipient are contained in Table III.

Base year employment numbers for each tax benefit recipient were deduced from information provided by the Division of Taxation. Information on the total number of employees, wages paid and benefits offered is derived from the submissions required of the tax benefit recipients. For tax benefit recipients that consisted of a parent company and one or more subsidiaries that were eligible for the Jobs Development Act rate reduction, data on employment, wages paid, and benefits offered were submitted only for the parent company. Analysis of the data for the parent company is assumed to hold by extension for any subsidiaries of the parent company.

A total of 905 part-time jobs and 10,116 full-time jobs for FY 2013 were reported by the recipients of the Jobs Development Act tax rate reduction. ORA determined that, based on the data provided by five (5) parent companies, four (4) met or exceeded the job creation and retention goals set forth in statute. With respect to the wage criteria, which requires full-time equivalent active employees to be paid 150.0 percent or more of the minimum wage in effect at the time of hire for employees hired before July 1, 2009 and 250.0 percent or more of the minimum wage in effect at the time of hire for employees hired after July 1, 2009, all five (5) parent companies exceeded the wage goals. The Jobs Development Act only requires that health insurance and retirement benefits be offered to full-time equivalent active employees hired after July 1, 2009. ORA found that all five (5) parent companies met the benefit requirements of the Jobs Development Act.

The Rhode Island Executive Office of Health and Human Service (EOHHS) provided ORA with information on the number of employees of Jobs Development Act rate reduction recipients that received RItE Care and/or RItE Share benefits during FY 2013.¹⁵ EOHHS also provided ORA with the amount of benefits received. Based on the information provided by EOHHS, ORA reports that the three (3) parent companies that received tax benefits only under the Jobs

¹⁴ Rhode Island will become a unitary combined reporting filing state for all C corporations effective with tax years beginning on or after January 1, 2015.

¹⁵ The figures reported here are for companies that received only the Jobs Development Act rate reduction as a tax credit / tax benefit in FY 2013. Two companies that received the Jobs Development Act rate reduction also received other tax credits/ tax benefits that are required to be reported by Rhode Island General Law Section 42-142-6. The data on the utilization of RItE Care and RItE Share benefits by their employees is reported separately after the section that covers the Motion Picture Production Tax Credit.

Development Act rate reduction, had employees who received RIte Care and/or RIte Share benefits through EOHHS. A total of 125 employees of the three companies had \$809,977 of medical services paid for under the State's Medicaid program. Detailed results of the utilization of RIte Care and RIte Share benefits for Jobs Development Act recipients are included in Table VI.

Finally, ORA surveyed the Division of Taxation to ascertain the cost for the administration of the Jobs Development Act corporate income tax rate reduction. ORA found that the direct cost incurred by the Division of Taxation in FY 2013 to administer the Jobs Development Act corporate income tax rate reduction was \$11,429.

Distressed Areas Economic Revitalization Act

Total tax credits received under the Enterprise Zone Wage Credit program were \$383,503 in FY 2013. A total of seven (7) taxpayers received tax credits under the Distressed Areas Economic Revitalization Act. Of the seven companies that received a tax credit for FY 2013, one (1) did not provide the Division of Taxation with the data required by Rhode Island General Law subsection 42-64.3-6.1(h). Detailed results by tax credit / tax benefit recipient are contained in Table IV.

The geographic distribution of the 7 recipients of Enterprise Zone Wage Tax Credits was confined to five (5) communities in the state. Providence and Cumberland were each a location of the qualifying operations for two (2) of the tax credit recipients, and East Providence, Portsmouth and Warren were each a location of the qualifying operations of one (1) tax credit recipient.

Six (6) recipients of the Enterprise Zone Wage Credit reported 24 part-time jobs, 5 seasonal jobs, and 994 full-time jobs for FY 2013.¹⁶ The Office of Revenue Analysis was able to determine the employment benchmark for all 7 recipients of the Enterprise Zone Wage Credit. To earn the credit, a recipient is required to increase employment by 5.0 percent over the recipient's benchmark employment level. Based on data provided by the Enterprise Zone Council to the Division of Taxation, ORA determined that all the recipients of the Enterprise Zone Wage Credit met the employment growth threshold to qualify for the credit. Three (3) of the seven tax credit recipients exactly met the job creation requirement. The other four (4) recipients exceeded the job creation requirement, with one (1) of these tax credit recipients doing so by tenfold.

With respect to the wage requirement for the Enterprise Zone Wage Credit, each recipient's total wage bill for the year in which the tax credit is earned must exceed the total wage bill paid in the year prior to receiving the tax credit. Based on data provided by the Enterprise Zone Council to the Division of Taxation, ORA determined that all seven recipients of the Enterprise Zone Wage Credit met the wage bill requirement for the credit. Each of these tax credit recipients exceeded the required wage bill threshold, with one (1) doing so by more than double the required amount. Since the Distressed Areas Economic Revitalization Act has no requirement for tax credit recipients to provide employee benefits, no assessment of whether the Enterprise Zone Wage

¹⁶ One company that was reported as receiving the Enterprise Zone Wage Credit did not provide data to the Division of Taxation as required by Rhode Island General Law Subsection 42-64.3-6.1(h).

Credit recipients met the benefit goals of the act were made. Table IV lists the benefits offered for the six tax credit recipients that provided the information required under Rhode Island General Law section 42-64.3-6.1(h) to the Division of Taxation.

The Rhode Island Executive Office of Health and Human Services (EOHHS) provided ORA with information on the number of employees of the five Enterprise Zone Wage Credit recipients that provided the required data to the Division of Taxation that received RItE Care and/or RItE Share benefits during FY 2013.¹⁷ EOHHS also provided ORA with the amount of benefits received. ORA reports that, based on the information received from EOHHS on these five companies, four (4) of the five companies that received only the Enterprise Zone Wage Credit had employees who received RItE Care and/or RItE Share benefits.¹⁸ A total of 61 employees of the four companies had \$602,564 of medical services paid for under the State's Medicaid program. Detailed results of the utilization of RItE Care and RItE Share benefits for Enterprise Zone Wage Credit recipients are included in Table VI.

Finally, ORA surveyed RIEDC and the Division of Taxation to ascertain the cost for the administration of the Enterprise Zone Wage Credit. ORA found that the total cost to administer the tax credit was \$31,004. The direct cost incurred by RIEDC in FY 2013 to administer the Enterprise Zone Wage Credit was \$28,623 while the indirect costs incurred by the Division of Taxation to administer the tax credit were \$2,381 in FY 2013.

Motion Picture Production Tax Credit

Total tax credits received under the Motion Picture Production Tax Credit program were \$70,723 in FY 2013. One (1) production company was awarded tax credits. According to information provided by the Rhode Island Film & TV Office, motion picture production activity for FY 2013 took place in Newport, Providence, and Tiverton. Detailed results by tax credit / tax benefit recipient are contained in Table V.

The recipient of the Motion Picture Production Tax Credit created 2 full time jobs. The Motion Picture Production Tax Credit has no employment or wage criteria that must be met in order to receive the credit and thus no assessment of the extent to which recipients of the tax credit attained job creation and retention and wage and benefit goals was conducted. Based on information provided to the Rhode Island Film & TV Office by the motion picture production company at the time of their initial application for the motion picture production tax credit, a total of 21 full and part-time jobs were expected to be created by the tax credit recipient. Based on the same information, a total of \$322,502 of Rhode Island wages or salaries were expected to be paid. Thus, for this production, average Rhode Island wages or salaries paid were expected to be \$15,357.

¹⁷ The figures reported here are for companies that received only the Enterprise Zone wage credit as a tax credit / tax benefit in FY 2013 and provided required data to the Division of Taxation as required under Rhode Island General Law Subsection 42-64.3-6.1(h). One (1) company that received the Enterprise Zone wage tax credit also received other tax credits/ tax benefits that are required to be reported by Rhode Island General Law Section 42-142-6. The data on the utilization of RItE Care and RItE Share benefits by its employees is reported separately after the section that covers the Motion Picture Production Tax Credit. One (1) company did not provide the required data to the Division of Taxation. These two companies are not included in the calculations.

¹⁸ The remaining company did not have any employees that utilized RItE Care/Rite Share benefits in FY 2013.

The Rhode Island Executive Office of Health and Human Services (EOHHS) provided ORA with information on the number of employees of Motion Picture Production Tax Credit recipients that received RIte Care and/or RIte Share benefits during FY 2013.¹⁹ EOHHS also provided ORA with the amount of benefits received. Based on the information provided by EOHHS, ORA reports that zero (0) of the one (1) company that only received tax benefits under the Motion Picture Production Tax Credit had employees who received RIte Care and/or RIte Share benefits through EOHHS.²⁰ Detailed results of the utilization of RIte Care and RIte Share benefits for Motion Picture Production Tax Credit recipients are included in Table VI.

Finally, ORA surveyed the Rhode Island Film & TV Office and the Division of Taxation to ascertain the cost for the administration of the Motion Picture Production Tax Credit. ORA found that the total cost to administer the tax credit was \$21,667 in FY 2013. The direct cost incurred by the RI Film & TV Office in FY 2013 to administer the Motion Picture Production Tax Credit was \$15,000 while the indirect costs incurred by the Division of Taxation to administer the tax credit were \$6,667 in FY 2013.

RIte Care and RIte Share Use by Companies Receiving Multiple Tax Incentives

Two companies received more than one of the tax credits / tax benefits that are required to be reported on under Rhode Island General Law § 42-142-6. These two companies received two (2) tax credits / tax benefits²¹ covered in this report. Unlike jobs created or retained or wage and benefit goals, it is not possible to allocate the utilization of RIte Care / RIte Share benefits by employees of a company to one tax credit / tax benefit versus another tax credit / tax benefit. As a result, the Office of Revenue Analysis (ORA) has decided to add a new section to the report that covers the utilization of RIte Care / RIte Share benefits by employees of companies that receive more than one tax credit / tax benefit that is required to be included in this report.²²

The Rhode Island Executive Office of Health and Human Services (EOHHS) provided ORA with information on the number of employees of the two (2) companies that received multiple tax credits / tax benefits that are covered in this report and had employees that received RIte Care and/or RIte Share benefits during FY 2013. Both of these companies had provided to the Division of Taxation the data on their employees that is required by state law. EOHHS also provided ORA with the amount of benefits received. ORA reports that based on the information from EOHHS, both companies had employees who received RIte Care and/or RIte Share benefits

¹⁹ The figures reported here are for companies that received only the Project Status sales and use tax exemption as a tax credit / tax benefit in FY 2013. One company that received the Project Status sales and use tax exemption also received other tax credits/ tax benefits that are required to be reported by Rhode Island General Law Section 42-142-6. The data on the utilization of RIte Care and RIte Share benefits by their employees is reported separately after the section that covers the Motion Picture Production Tax Credit.

²⁰ Two companies that were reported as receiving the Project Status sales and use tax exemption did not provide data to the Division of Taxation as required by Rhode Island General Law Subsection 42-64-10(k).

²¹ One company received tax credits / tax benefits from the Project Status sales and use tax exemption and the Jobs Development Act rate reduction, and the other company received tax credits / tax benefits from the Jobs Development Act rate reduction and the Enterprise Zone Wage Credit.

²² In the *FY 2011 Unified Economic Development Report*, ORA included the information on RIte Care / RIte Share utilization by the employees of companies that received multiple tax credits / tax benefits that were covered by the report under the first tax credit / tax benefit that was reported on and excluded the same information for subsequent tax credits / tax benefits.

through EOHHS. A total of 105 employees of the two companies had \$615,547 of medical services paid for under the State's Medicaid program. Detailed results of the utilization of RItE Care and RItE Share benefits for recipients of multiple tax credits / tax benefits covered by this report are included in Table VI.

Definitions of Table Column Headers

Tables I through VI show the individual tax credit / tax benefit recipients by the specific tax credit or tax benefit. Essentially, these tables provide the detail underlying the narrative descriptions for each tax credit / tax benefit above. The following are the definitions of the column headers that appear in the tables that follow. The column header definitions are broken down by table.

Table I through Table V

“Name of Recipient” (All Tables, Column 1) is the name of the company that received the tax credit and/or tax benefit as provided by the tax credit and/or tax benefit recipient.

“Amount” (All Tables, Column 2) is the amount of tax credit and/or tax benefit received by the named recipient as provided by the Division of Taxation in its *Tax Credit and Incentive Report – Fiscal Year 2013*.

“Reported Total Part-Time Jobs” (All Tables, Column 3) is the number of part-time jobs either reported by the tax credit and/or tax benefit recipient or estimated by the Office of Revenue Analysis (ORA). ORA determined whether an employee worked part-time as follows: (1) ORA determined the most frequently occurring value for the hours worked per week supplied by the tax credit and/or tax benefit recipient; (2) The most frequently occurring value for hours worked per week was deemed to constitute the standard work week; (3) If the tax credit and/or tax benefit recipient reported hours worked per week for an employee that were less than the most frequently occurring value of hours worked per week, then that employee was labeled as part-time.

“Reported Total Seasonal / Temporary Jobs” (Tables IV and V, Column 4) is the number of seasonal / temporary jobs either reported by the tax credit and/or tax benefit recipient or estimated by the Office of Revenue Analysis (ORA). ORA determined whether an employee was a seasonal / temporary job as follows: (1) ORA considered the term of employment for each employee based on the information provided by the tax credit and/or tax benefit recipient; (2) If an employee's term of employment was for less than 52 weeks, then the employee was deemed to be a seasonal/temporary employee; (3) If an employee's term of employment was for 52 weeks, then the employee was deemed to be a regular employee; (4) If an employee was deemed to be a regular employee, ORA applied the methodology described under “Reported Total Part-Time Jobs Created or Retained” and “Reported Full-Time Jobs Created or Retained” to determine whether the regular employee was a full- or part-time employee.

“Reported Total Full-Time Jobs” (Tables I, II, and III, Column 4; Tables IV and V, column 5) is the number of full-time jobs either reported by the tax credit and/or tax benefit recipient or estimated by the Office of Revenue Analysis (ORA). ORA determined whether an employee worked full-time as follows: (1) ORA determined the most frequently occurring value for the

hours worked per week supplied by the tax credit and/or tax benefit recipient; (2) The most frequently occurring value for hours worked per week was deemed to constitute the standard work week; (3) If the tax credit and/or tax benefit recipient reported hours worked per week for an employee that were greater than or equal to the most frequently occurring value of hours worked per week, then that employee was labeled as full-time.

“Reported Total Full-Time Equivalent Jobs Created or Retained” (Table I, Column 5) is the number of full-time equivalent jobs as calculated by the Office of Revenue Analysis (ORA) based on the employee information provided by the tax credit and/or tax benefit recipient. The actual determination of the number of full-time equivalent jobs was dependent upon the terms of the individual Project Status agreements entered into by each company. In general, ORA summed the reported hours worked per week for each employee across all employees and then divided this sum by the hours worked per week criteria in the definition of full-time equivalent employee contained in the individual Project Status agreements.

“Estimated Full-Time and Part-Time Jobs Created or Retained per EDC Analysis” (Table II, Column 5) is the number of full-time and part-time jobs that the Rhode Island Economic Development Corporation estimated a recipient of the Incentive for Innovation and Growth Tax Credit would create or retain at the time the recipient applied for the Incentive for Innovation and Growth Tax Credit with the Rhode Island Science and Technology Advisory Council.

“Reported Total Full-Time Equivalent Active Jobs Created or Retained” (Table III, Column 5) is the number of full-time equivalent active jobs as calculated by the Office of Revenue Analysis (ORA) based on the definition of a full-time equivalent active employee contained in Rhode Island General Law subsection 42-64.5-2(7). For employees hired prior to July 1, 2009, ORA determined whether an individual employee worked 30 or more hours per week and was paid more than 150.0 percent of the minimum wage or two or more part-time employees worked 30 or more hours per week and were paid more than 150.0 percent of the minimum wage. If these conditions were met, then ORA counted these employees as full-time equivalent active employees. For employees hired after June 30, 2009, ORA determined whether an individual employee worked 30 or more hours per week and was paid 250.0 percent of the minimum wage. If these conditions were met, then ORA counted these employees as full-time equivalent active employees.

“Required Minimum Number of Full-Time Equivalent Jobs Created or Retained” (Table I, Column 6) is the minimum number of full-time equivalent jobs created or retained that a Project Status tax benefit recipient was mandated to have at the end of the Investment Period in exchange for receiving the Project Status sales tax exemption. The mandated total of full-time equivalent jobs created or retained was determined from the Project Status agreement between the recipient and the Rhode Island Economic Development Corporation.

“Required Number of Full-Time Equivalent Active Jobs Created or Retained” (Table III, Column 6) is the total number of full-time equivalent active jobs as defined in Rhode Island General Law subsection 42-64.5-2(7) created or retained that a recipient of the Jobs Development Act rate reduction must achieve in order to receive the tax benefit.

“Employment Benchmark” (Table IV, Column 6) is the base employment level that an Enterprise Zone Wage Credit recipient had in the year prior to receiving the tax credit as recorded by the Enterprise Zone Council of the Rhode Island Economic Development Corporation.

“Estimated Full-Time and Part-Time Jobs Created or Retained” (Table V, Column 6) is the number of full-time and part-time jobs that a Motion Picture Production Tax Credit recipient reported would be created at the time of application for a Motion Picture Production Tax Credit with the Rhode Island Film & Television Office.

“New Enterprise Jobs Required” (Table IV, Column 7) is the number of full-time employees required to receive the Enterprise Zone Wage Credit as determined by the Enterprise Zone Council. The definition of an “Enterprise Job Employee” is contained in Rhode Island General Law subsection 42-64.3-3(6).

“Required Number of Full-Time and Part-Time Jobs Created or Retained” (Table V, Column 7) is the number of full-time and part-time jobs created or retained that are required to receive the Motion Picture Production Tax Credit.

“New Enterprise Jobs Created” (Table IV, Column 8) is the number of full-time employees added in order to receive the Enterprise Zone Wage Credit as determined by the Enterprise Zone Council. The definition of an “Enterprise Job Employee” is contained in Rhode Island General Law subsection 42-64.3-3(6).

“Degree to Which [Full-Time Equivalent / Full-Time Equivalent Active] Job Creation or Retention Goals Were Met” (Tables I and III, Column 7; Table II, Column 6; Table IV, Column 9; Table V, Column 8) is a measure of the extent to which the recipient of the tax credit and/or tax benefit achieved the job creation or retention goals specified for the tax credit and/or tax benefit. The measure is a percentage of the job creation and retention goal for the tax credit and/or tax benefit that was achieved by the tax credit and/or tax benefit recipient. A value of 100.0 percent means that the specified jobs goal was met exactly by the recipient of the tax credit and/or tax benefit. A value greater than 100.0 percent means the specified jobs goal was exceeded by the recipient of the tax credit and/or tax benefit. A value less than 100.0 percent means the specified jobs goal was not met by the recipient of the tax credit and/or tax benefit.

“Reported Number of New Full-Time Equivalent Jobs Created” (Table I, Column 8) is the number of new full-time equivalent jobs as calculated by the Office of Revenue Analysis (ORA) based on the employee information provided by the Project Status tax benefit recipient. The actual determination of the number of new full-time equivalent jobs was dependent upon the terms of the individual Project Status agreements entered into by each company. In general, ORA summed the reported hours worked per week for each new employee hired during the Investment Period across all new employees hired during the Investment Period and then divided this sum by the hours worked per week criteria in the definition of full-time equivalent employee contained in the individual Project Status agreements.

“Required Number of New Full-Time Equivalent Jobs Created” (Table I, Column 9) is the required number of new full-time equivalent jobs created that a Project Status tax benefit recipient was mandated to create by the end of the Investment Period in exchange for receiving the Project Status sales tax exemption. The mandated number of new full-time equivalent jobs created was determined from the Project Status agreement between the recipient and the Rhode Island Economic Development Corporation.

“Degree to Which New Full-Time Equivalent Job Creation Goals Were Met” (Table I, Column 10) is a measure of the extent to which the recipient of the Project Status sales tax exemption achieved the new full-time equivalent job creation goals specified in the recipient’s Project Status agreement. The measure is a percentage of the new full-time equivalent job creation goal for the Project Status tax benefit that was achieved by the Project Status recipient. A value of 100.0 percent means that the new full-time equivalent jobs created goal was met exactly by the Project Status recipient. A value greater than 100.0 percent means the new full-time equivalent jobs created goal was exceeded by the Project Status recipient. A value less than 100.0 percent means the new full-time equivalent jobs created goal was not met by the Project Status recipient.

“Benefits Offered” (Table I, Column 11; Table II, Column 7; Table III, Column 8; Table IV, Column 10; Table V, Column 9) is the type of benefits offered to the employees of the recipient of the tax credit and/or tax benefit.

“Degree to Which Wage and Benefit Goals Were Met” (Tables I, Column 12; Table II, Column 8; Table IV, Column 11 and Table V, Column 10) is a measure of the extent to which the recipient of the tax credit and/or tax benefit achieved the wage and benefit goals specified for the tax credit and/or tax benefit. The measure is a percentage of the wage and benefit goal for the tax credit and/or tax benefit that was achieved by the tax credit and/or tax benefit recipient. A value of 100.0 percent means that the specified wage and benefit goal was met exactly by the recipient of the tax credit and/or tax benefit. A value greater than 100.0 percent means the specified wage and benefit goal was exceeded by the recipient of the tax credit and/or tax benefit. A value less than 100.0 percent means the specified wage and benefit goal was not met by the recipient of the tax credit and/or tax benefit.

“Degree to Which Wage and Benefit Goals Were Met Prior to July 1, 2009” (Table III, Column 8) is a measure of the extent to which the recipient of the Jobs Development Act rate reduction achieved the wage and benefit goals that were in place for the Act for employees hired prior to July 1, 2009 as defined in Rhode Island General Law subsection 42-64.5-2(7). The measure is a percentage of the wage and benefit goal for the Jobs Development Act rate reduction that was achieved by the Jobs Development Act recipient. A value of 100.0 percent means that the specified wage and benefit goal was met exactly by the Jobs Development Act recipient. A value greater than 100.0 percent means the specified wage and benefit goal was exceeded by the Jobs Development Act recipient of the tax credit and/or tax benefit. A value less than 100.0 percent means the specified wage and benefit goal was not met by the Jobs Development Act recipient.

“Degree to Which Wage and Benefit Goals Were Met Prior after June 30, 2009” (Table III, Column 9) is a measure of the extent to which the recipient of the Jobs Development Act rate

reduction achieved the wage and benefit goals that were in place for the Act for employees hired after June 30, 2009 as defined in Rhode Island General Law subsection 42-64.5-2(7). The measure is a percentage of the wage and benefit goal for the Jobs Development Act rate reduction that was achieved by the Jobs Development Act recipient. A value of 100.0 percent means that the specified wage and benefit goal was met exactly by the Jobs Development Act recipient. A value greater than 100.0 percent means the specified wage and benefit goal was exceeded by the Jobs Development Act recipient of the tax credit and/or tax benefit. A value less than 100.0 percent means the specified wage and benefit goal was not met by the Jobs Development Act recipient.

“Geographic Location [of Project / of Business / of Corporate Headquarters and/or Qualifying Facility / of Company or Enterprise Zone / Used by Production]” (Table I, Column 13; Table II, Column 9; Tables III and V, Column 11; Table IV, Column 12) indicates either where in Rhode Island the economic activity occurred that qualified the recipient of the tax credit and/or tax benefit to receive the tax credit and/or tax benefit or the corporate headquarters of the parent company of a subsidiary located in Rhode Island where the economic activity occurred that qualified the recipient of the tax credit and/or tax benefit to receive the tax credit and/or tax benefit.

Table VI

“Name of Recipient” (Column 1) is the name of the company that received the tax credit and/or tax benefit as provided by the tax credit and/or tax benefit recipient.

“Tax Credit / Tax Benefit Program” (Column 2) identifies the tax credit / tax benefit program for which the recipient of the tax credit and/or tax benefit was eligible.

“Number of Employees Receiving RItE Care or RItE Share Benefits” (Column 3) is the number of employees, including employees’ dependents, of a tax credit and/or tax benefit recipient that received fee-for-service payments, RItE Care capitation payments, RItE Share premium payments and RItE Smiles capitation payments made by the State on their behalf during the period of employment with the tax credit and/or tax benefit recipient.

“Total Amount of RItE Care or RItE Share Benefits Received” is the amount of fee-for-service payments, RItE Care capitation payments, RItE Share premium payments and RItE Smiles capitation payments made by the State on behalf of employees, including employees’ dependents, of a tax credit and/or tax benefit recipient during the employee’s period of employment with the tax credit and/or tax benefit recipient.

**TABLE I:
PROJECT STATUS SALES AND USE TAX EXEMPTION
Rhode Island General Law Section 42-64-10
(Administrator: Rhode Island Economic Development Corporation)**

Name of Recipient	Amount	Reported Total Part-Time Jobs	Reported Total Temporary Jobs	Reported Total Full-Time Jobs	Reported Total Full-Time Equivalent Jobs Created or Retained	Required Minimum Number of Full-Time Equivalent Jobs Created or Retained	Degree to Which Full-Time Equivalent Job Creation or Retention Goals Were Met	Reported Number of New Full-Time Equivalent Jobs Created	Required Number of New Full-Time Equivalent Jobs Created	Degree to Which New Full-Time Equivalent Job Creation Goals Were Met	Benefits Offered	Degree to Which Wage and Benefit Goals Were Met	Geographic Location of Project
Chapel Associates LLC	\$ 168,600	†	†	†	†	†	†	†	†	†	†	†	†
CVS Pharmacy Inc. ¹	\$ 1,138,860	787	0	4,127	4,756	3,973	119.7%	990.1	744	133.1%	Health; Pension	185.5%	Woonsocket
Factory Mutual Ins Co. ^{2,3}	\$ 350,000	271	0	834	1,050	500	210.0%	Can't Be Determined from Data Provided	325	Can't Be Determined from Data Provided	Health; Pension	262.2%	Johnston
FMR LLC ⁴	\$ 244,327	45	0	4,532	4,277	1,000	427.7%	1,193	1,000	119.3%	Health	No Goals Specified	Smithfield
Immunex Rhode Island Corporation ⁵	\$ 258,315	*	*	*	*	600	Can't Be Determined as No Data Provided	*	350	Can't Be Determined as No Data Provided	*	Can't Be Determined as No Data Provided	West Greenwich
Parmatech Proform Corporation ⁶	\$ 4,696	*	*	*	*	15	Can't Be Determined as No Data Provided	*	15	Can't Be Determined as No Data Provided	*	Can't Be Determined as No Data Provided	East Providence
Totals	\$ 2,164,797	1,103	0	9,493	10,083	6,088	165.6%	2,183	2,434	89.7%	n/a	220.3%	n/a

† Chapel Associates, LLC qualified for a sales and use tax rebate under Rhode Island General Law Chapter 45-37.1 titled Industrial Facilities Corporation. The Division of Taxation's inclusion of Chapel Associates LLC as the recipient of the Project Status sales and use tax exemption in the *Tax Credit and Incentive Report - FY 2013* is an error.

* Company did not respond to notification from the Division of Taxation and thus did not provide the information required by Rhode Island General Law subsection 42-64-10(k).

¹ CVS Pharmacy Inc.'s Project Status agreement commenced on December 16, 1997 and has a 30 year term. EDC administratively recorded CVS' base employment as 3,623 FTEs. The Project Status agreement requires CVS to invest \$50.0 million in the project governed by the agreement, employ its new hires for 2,080 hours per year, and pay its new hires an average of no less than \$40,000 per year. CVS was required to meet its employment and wage and benefit mandates by December 16, 2004.

² Factory Mutual Insurance Company's (FM Global) Project Status agreement commenced on November 5, 1998 and has a 20 year term. The agreement specifies FM Global's base employment at 175 FTEs. The Project Status agreement requires FM Global to invest \$70.0 million in the project governed by the agreement, employ its new hires for 2,080 hours per year, and pay its new hires an average of no less than \$35,000 per year. FM Global was required to meet its employment and wage and benefit mandates by November 5, 2004.

TABLE I:
PROJECT STATUS SALES AND USE TAX EXEMPTION
Rhode Island General Law Section 42-64-10
(Administrator: Rhode Island Economic Development Corporation)

³ FM Global provided data on over 1,100 employees. These employees had "Last Start" dates that ranged from the 1960s to June of 2013. The period in which FM Global was required to meet its "New Full-Time Equivalent Jobs Created" threshold was between November 5, 1998 and November 5, 2004. In the data provided by FM Global, the Office of Revenue Analysis (ORA) determined that 216 full time equivalent employees with "Last Start" dates between these two periods were employed in FY 2013. What ORA could not determine, however, is the number of employees hired after November 5, 2004 that were replacements for employees originally hired between November 5, 1998 and November 5, 2004 that left FM Global. As a result, ORA was unable to determine definitively the "Reported Number of Full-Time Equivalent Jobs Created" during the November 5, 1998 to November 5, 2004 period. The determination of the "Degree to Which Wage and Benefit Goals Were Met" is based on these 216 full time equivalent employees.

⁴ FMR LLC's (Fidelity) Project Status agreement commenced on May 28, 1996 and has a 30 year term. The agreement specifies Fidelity's base employment at zero FTEs. The Project Status agreement requires Fidelity to invest at least \$30.0 million in the project governed by the agreement and employ its new hires for 2,080 hours per year. There is no minimum compensation requirement for new hires under the agreement. Fidelity was required to meet its employment mandate by December 1, 2003 at the latest.

⁵ Immunex Rhode Island Corporation's (Immunex RI) Project Status agreement commenced on January 28, 2002 and has a 10 year term. The agreement specifies that Immunex RI will "employ...a number of jobs sufficient to have the total payroll...include at least two hundred and fifty (250) FTE jobs in addition to at least 350 jobs...for a total of at least 600 jobs at the Project Site". The Project Status agreement requires Immunex RI to invest at least \$470,506,477 in the project governed by the agreement, employ its employees for 2,080 hours per year and generate an annual gross payroll averaging \$30,000 per employee. Immunex RI was required to meet its employment mandate by January 28, 2007. Sales tax rebates made to Immunex RI cannot exceed \$5.0 million per tax year. If eligible sales tax rebates do not exceed \$5.0 million per tax year the difference between the amount taken and \$5.0 million may be carried forward to subsequent tax years.

⁶ Parmatech Proform Corporation's (Parmatech) Project Status agreement commenced on December 21, 2009 and has a three year term. The agreement specifies that Parmatech will create and maintain 15 new FTE jobs in Rhode Island. At the time of the agreement, Parmatech had zero FTE jobs in Rhode Island. The Project Status agreement requires Parmatech to invest \$5.25 million in the project governed by the agreement and employ its employees for 1,560 hours per year with a median annual salary of no less than \$41,605 plus benefits. Sales tax rebates received by Parmatech shall not exceed \$49,035 in total..

**TABLE II:
INCENTIVES FOR INNOVATION AND GROWTH TAX CREDIT
Rhode Island General Law Section 44-63-3
(Administrator: Rhode Island Economic Development Corporation)**

Name of Recipient	Amount	Reported Total Part-Time Jobs	Reported Total Full-Time Jobs	Estimated Full-Time and Part-Time Jobs Created or Retained per EDC Analysis	Degree to Which Job Creation or Retention Goals Were Met	Benefits Offered	Degree to Which Wage and Benefit Goals Were Met	Geographic Location of Business
No Recipients in FY 2013								
Totals	\$ -	0.0	0.0	0.0	n/a	n/a	n/a	n/a

TABLE III.
JOBS DEVELOPMENT ACT BUSINESS CORPORATION TAX RATE REDUCTION
Rhode Island General Law Section 442-64.5-5
(Administrator: Rhode Island Division of Taxation)

Name of Recipient ¹	Amount	Reported Total Part-Time Jobs ²	Reported Total Full-Time Jobs ²	Reported Total Full-Time Equivalent Active Jobs Created or Retained	Required Number of Full-Time Equivalent Active Jobs Created or Retained	Degree to Which Full-Time Equivalent Active Job Creation or Retention Goals Were Met	Benefits Offered	Degree to Which Wage and Benefit Goals Were Met Prior to July 1, 2009	Degree to Which Wage and Benefit Goals Were Met After June 30, 2009	Geographic Location of Corporate Headquarters and/or Qualifying Facility ³
AAA Southern New England	\$ 20,696	*	*	*	725.0	*	*	*	*	Providence
AAA Southern New England Bank	\$ 3,839									
CCO Investment Services Corp.	\$ 82,372	56.0	3,241.0	3,297.0	2,337.0	141.1%	Health; Pension	347.3%	226.7%	East Providence
Servco, Inc	\$ 2,937									
CVS Pharmacy Inc.	\$ 14,450,002	787.0	4,127.0	4,829.0	3,430.0	140.8%	Health; Pension	320.6%	238.3%	Woonsocket
Electric Boat Corporation	\$ 582,894	0.0	2,349.0	2,349.0	1,501.0	156.5%	Health; Pension	280.8%	131.0%	North Kingstown
RITE Solutions, Inc.	\$ 9,851	60.0	48.0	74.1	104.0	71.3%	Health; Pension	491.5%	202.2%	Middletown
United Natural Foods, Inc.	\$ 131,306	2.0	351.0	322.0	200.0	161.0%	Health; Pension	Qualified for JDA after 7/1/2009	275.3%	Providence
Totals	\$ 15,283,897	905	10,116	10,871	8,297	131.0%	n/a	295.9%	196.8%	n/a

¹ Rhode Island, as a separate entity filing state, allows subsidiaries to file business corporation tax returns separately from the parent company and receive the rate reduction on that return.

² To determine the standard workweek for an employer, the Office of Revenue Analysis determined the most frequently occurring value for the hours worked per week supplied by the tax credit and/or tax benefit recipient. This value was then used to determine whether a particular employee was a full-time or part-time employee. Employees whose hours worked per week were equal to or greater than the most frequently occurring value for a tax credit and/or tax benefit recipient were classified as full-time. All other employees were classified as part-time.

³ Rhode Island General Law § 42-64.5-2 defines an “eligible company” as including an “eligible subsidiary” where an “eligible subsidiary means each corporation eighty percent (80%) or more of the common stock of which is owned by an eligible company.” Thus, a corporation can be eligible for the Jobs Development Act rate reduction, even though it is located outside of the state, via its ownership of an “eligible subsidiary”.

* Company did not respond to notification from the Division of Taxation and thus did not provide the information required by Rhode Island General Law subsection 42-64.5-8.

TABLE IV.
DISTRESSED AREAS ECONOMIC REVITALIZATION ACT WAGE TAX CREDIT
Rhode Island General Law Section 42-64.3-1
(Administrator: Rhode Island Economic Development Corporation)

Name of Recipient	Amount Taken	Reported Total Part-Time Jobs	Reported Total Seasonal Jobs	Reported Total Full-Time Jobs	Employment Benchmark	New Enterprise Jobs Required	New Enterprise Jobs Created	Degree to Which Job Creation or Retention Goals Were Met	Benefits Offered	Degree to Which Wage and Benefit Goals Were Met	Geographic Location of Company or Enterprise Zone
Child Care Connection, Inc dba The Children's Workshop	\$ 10,381	*	*	*	25	2	2	100.0%	*	112.8%	Cumberland
Ronstan International, Inc	\$ 2,500	1	0	13	8	1	1	100.0%	Health; Pension	105.0%	Portsmouth
TD Bank, N. A	\$ 39,935	13	0	76	16	1	13	1300.0%	Health; Pension	562.5%	Providence
Tiffany and Company	\$ 184,437	6	4	487	398	20	54	270.0%	Health; Pension	101.9%	Cumberland
Trinkle Design Associates	\$ 956	1	0	2	2	1	1	100.0%	Health	128.3%	East Providence
United Natural Foods, Inc	\$ 105,000	2	0	351	284	15	25	166.7%	Health; Pension	149.2%	Providence
WaterRower, Inc	\$ 40,294	1	1	65	46	3	11	366.7%	Health	129.5%	Warren
Totals	\$ 383,503	24	5	994	779	43	107	274.4%	n/a	128.8%	n/a

* Company did not respond to notification from the Division of Taxation and thus did not provide the information required by Rhode Island General Law subsection 42-64.3-6.1(h).

TABLE V.
MOTION PICTURE PRODUCTION TAX CREDITS
Rhode Island General Law Section 44-31.2-6.1
 (Administrator: Rhode Island Film and TV Office)

Name of Recipient	Amount	Reported Total Part-Time Jobs	Reported Total Temporary Jobs	Reported Total Full-Time Jobs	Estimated Full-Time and Part-Time Jobs Created or Retained ¹	Required Number of Full-Time and Part-Time Jobs Created or Retained	Degree to Which Job Creation or Retention Goals Were Met	Benefits Offered ¹	Degree to Which Wage and Benefit Goals Were Met	Reported Geographic Locations Used by Production ¹
Ginkgo Leaf Productions, Inc.	\$ 70,723	0	0	2	21	None	No Goals Specified	Health, 50 percent coverage for full-time employees only	No Goals Specified	Newport, Providence, Tiverton
Totals	\$ 70,723	0	0	2	21	n/a	n/a	n/a	n/a	Various

¹ Data is from page 1 of the Motion Picture Production Tax Credit Information Request Form as provided by the Rhode Island Film & Television Office.

TABLE VI.
UTILIZATION OF RItE CARE AND RItE SHARE BENEFITS BY TAX BENEFIT RECIPIENTS
Rhode Island General Law Section 42-142-6(a)(4)
(Executive Office of Health and Human Services)

Name of Recipient	Tax Credit / Tax Benefit Program	Number of Employees Receiving RItE Care or RItE Share Benefits^	Total Amount of RItE Care or RItE Share Benefits^ Received
Chapel Associates LLC	Project Status Sales Tax Exemption	†	†
Factory Mutual Insurance Co.	Project Status Sales Tax Exemption	8	\$ 33,210
FMR LLC and Affiliates	Project Status Sales Tax Exemption	9	78,386
Immunex Rhode Island Corp	Project Status Sales Tax Exemption	*	*
Parmatech Proform Corporation	Project Status Sales Tax Exemption	*	*
Sub-Total	Project Status Sales Tax Exemption	17	\$ 111,596
AAA Southern New England and Subsidiaries	Jobs Development Act Rate Reduction	*	*
Citizens Bank	Jobs Development Act Rate Reduction	56	\$ 315,518
Electric Boat Corporation	Jobs Development Act Rate Reduction	66	486,334
Rite-Solutions, Inc.	Jobs Development Act Rate Reduction	3	8,125
Sub-Total	Jobs Development Act Rate Reduction	125	\$ 809,977
Child Care Connection, Inc dba The Children's Workshop	Enterprise Zone Wage Credit	*	*
Ronstan International, Inc	Enterprise Zone Wage Credit	1	\$ 2,999
TD Bank, N. A	Enterprise Zone Wage Credit	16	86,130
Tiffany and Company	Enterprise Zone Wage Credit	34	363,710
Trinkle Design Associates	Enterprise Zone Wage Credit	0	-
WaterRower, Inc.	Enterprise Zone Wage Credit	10	149,724
Sub-Total	Enterprise Zone Wage Credit	61	\$ 602,564

TABLE VI.
UTILIZATION OF RItE CARE AND RItE SHARE BENEFITS BY TAX BENEFIT RECIPIENTS
Rhode Island General Law Section 42-142-6(a)(4)
(Executive Office of Health and Human Services)

Name of Recipient	Tax Credit / Tax Benefit Program	Number of Employees Receiving RItE Care or RItE Share Benefits [^]	Total Amount of RItE Care or RItE Share Benefits [^] Received
Ginkgo Leaf Productions, Inc.	Motion Picture Production Tax Credit	*	*
Sub-Total	Motion Picture Production Tax Credit	0	\$ -
CVS Pharmacy, Inc.	Project Status Sales Tax Exemption / Jobs Development Act Rate Reduction	102	\$ 607,028
United Natural Foods, Inc.	Jobs Development Act Rate Reduction / Enterprise Zone Wage Credit	3	8,519
Sub-Total	Multiple Tax Incentives / Tax Benefits	105	\$ 615,547
Grand Total	n/a	308	\$ 2,139,683

[^] Benefits include Fee-for-service payments, RItE Care capitation payments, RItE Share premium payments and RItE Smiles capitation payments made by the State on behalf of an employee. Payments are for any member in the same Medicaid case as the employee. Employees are assumed to have been employed by the tax credit / tax benefit recipient from the date of the employee's hire through June 30, 2013.

* Company did not respond to notification from the Division of Taxation and thus did not provide the information required by Rhode Island General Law subsection 42-64-10(k) or 42-64.3-6.1(h) as applicable.

† Company earned the sales tax exemption under another statute and was included under Project Status by error.

Part II

Cost – Benefit Analysis of the Tax Credits / Tax Benefits