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Testimony to
Revenue Estimating Conference

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Rebuild Rhode Island Tax Credits & Sales Tax Rebates

Beginning in FY20, all future Rebuild Rhode Island tax credits and Sales Tax rebates are dispersed from the Rebuild Fund and therefore are not reflected in state revenue estimates.

FYE 2021:

- Anticipating 24 Rebuild RI Tax Credit payments totaling \$19.0 million
- Anticipating 17 related Sales and Use Tax payments totaling \$9.6 million
- **Combined \$28.6 million total draw on Rebuild Fund***

FYE 2022:

- Anticipating 38 Rebuild RI Tax Credit payments totaling \$21.8 million
- Anticipating 9 related Sales and Use Tax payments totaling \$14.8 million
- **Combined \$36.6 million total draw on Rebuild Fund***



River House (Providence)

**Includes \$46,250 in FY21 and \$43,109 in FY22 related to Tax Stabilization Incentive program payments, which are also funded through draws on the Rebuild Fund.*

Tax Increment Finance Incentive: PILOT Structure Projects

These payments are made directly to an escrow account managed by the Commerce Corporation by the TIF recipients and thus are not reflected in state revenue estimates.

PILOT Structure FYE 2021:

- Anticipating 4 PILOT project payments in FY2021
- **Total payments of \$1.3 million**
 - Hyatt Place (Warwick): \$263,323
 - Homewood Suites (Providence): \$282,032
 - Residence Inn (Providence): \$559,879
 - Fairfield Inn (South Kingstown): \$174,770

PILOT Structure FYE 2022:

- Expecting 4 PILOT projects will be to be certified in FY 2022:
- **Total payments of \$1.5 million**
 - Hyatt Place (Warwick): \$290,763
 - Homewood Suites (Providence): \$299,571
 - Residence Inn (Providence): \$720,802
 - Fairfield Inn (South Kingstown): \$231,440



Hyatt Place (Warwick)

Tax Increment Finance Incentive: Standard TIF Structure Projects

Payments from these projects are collected by Taxation, are then subsequently disbursed to the project by Department of Revenue, and are subject to annual appropriation.

Standard TIF FYE 2021:

- Anticipating 2 standard TIF projects to certify in FY2021
- Total payments of \$0.8 million
 - Hammett's Wharf (Newport**): \$419,215
 - Hotel Beatrice (Providence): \$338,224

Standard TIF FYE 2022:

- Expecting 3 standard TIF projects to certify in FY2022
- Total payments of \$1.6 million*
 - Hammett's Wharf (Newport**): \$488,706
 - Hotel Beatrice (Providence): \$352,251
 - Aloft Hotel (Providence): \$742,581



Residence Inn (Providence)

**The estimated TIF estimates for FY 2021 & FY 2022 are based upon Commerce Corporation original underwriting and have NOT been adjusted for COVID-19 impacts*

*** Newport hotel tax collection subject to RIGL § 44-18-36.1(d)*

Qualified Jobs Incentive Tax Credit

As of July 1, 2019, Qualified Jobs Incentive Tax Credit rebates up to 75% (100% prior) of new personal state income tax withholdings up to a cap of \$7,500 per job for new full-time jobs that wouldn't be created but for this incentive. Of the 39 deals approved to date, 30 are subject to the up to 100% program, 8 are subject to the up to 75% program, and 1 has been terminated.

FYE 2021:

- 1 annual certification completed fiscal year-to-date for a total gross value of \$42,230
- Total of 19 annual certifications anticipated for FY2021 with an estimated gross value of \$2.7 million

FYE 2022:

- Anticipating 29 annual certifications with a total gross value of \$4.3 million



Infosys (Providence)

**The anticipated total gross value is based upon original project underwriting on hiring estimates and salaries provided by the participant companies. The annual actual value of the tax credits will be based on the actual job data certified on an annual basis.*

Appendix

Tax Increment Finance Incentive

Estimated Total TIF Revenue by Fiscal Year

# Fiscal Year - Projected TIF Revenue	TIF Type	Tax/PILOT Collections Begin (FY)	Estimated Total TIF Revenue by Fiscal Year																									Total	TIF Amount										
			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042			2043	2044	2045	2046	2047					
1 Aloft Hotel	Funds collected by Division of Taxation	2022	-	-	-	-	742,581	809,602	849,405	872,788	897,130	919,345	942,062	965,294	989,053	1,013,352	1,038,206	1,063,628	1,089,633	1,116,234	1,143,446	1,171,286	1,199,768	1,228,909	-	-	-	-	-	-	-	-	18,051,723	6,750,000					
2 Bristol Belvedere	Funds collected by Division of Taxation	2023	-	-	-	-	-	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	-	-	-	-	1,260,000	600,000		
3 Exchange Street ⁽¹⁾	PILOT	2020	-	-	313,647	282,032	299,571	308,558	322,631	332,309	342,279	352,547	357,809	368,543	379,600	390,988	402,717	414,799	427,243	440,060	453,262	466,860	480,865	495,291	-	-	-	-	-	-	-	-	-	-	7,631,610	3,000,000			
4 Hammett Wharf	Funds collected by Division of Taxation	2021	-	-	-	419,215	488,706	520,515	540,621	561,598	581,839	602,897	624,807	647,607	671,335	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,659,140	3,500,000			
5 Hotel Beatrice	Funds collected by Division of Taxation with PILOT backstop	2021	-	-	-	338,224	352,251	362,819	373,703	384,914	396,462	408,355	420,606	433,224	446,221	459,608	473,396	487,598	502,226	517,293	532,811	548,796	565,260	582,217	599,684	-	-	-	-	-	-	-	-	-	9,185,667	4,250,000			
6 Hotel Hive	Funds collected by Division of Taxation	2023	-	-	-	-	-	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	-	-	-	-	10,890,770	6,000,000
7 Residence Inn	PILOT	2021	-	-	-	559,879	720,802	756,465	801,310	824,246	847,843	872,119	897,095	922,790	949,226	976,423	1,004,404	1,033,192	1,062,810	1,093,283	1,124,634	1,156,889	1,190,075	1,224,219	-	-	-	-	-	-	-	-	-	-	-	-	18,017,705	6,000,000	
8 Southern RI Hospitality	PILOT	2021	-	-	-	174,770	231,440	238,384	245,535	252,901	260,488	268,303	276,352	284,643	293,182	301,977	311,037	320,368	329,979	339,878	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,129,236	1,800,000	
9 Warwick Hotel ⁽²⁾	PILOT	2019	-	150,925	234,111	263,323	290,763	299,083	307,652	316,479	325,570	334,935	344,580	354,514	364,747	375,286	386,142	397,323	408,840	420,703	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,574,975	3,500,000	
Total from Revenue Collections			0	150,925	547,757	2,037,444	3,126,114	3,902,964	4,048,996	4,152,774	4,259,150	4,366,040	4,470,849	4,584,153	4,700,901	4,125,173	4,223,441	4,324,447	4,428,269	4,534,988	3,861,691	3,951,369	4,048,507	4,138,175	1,207,222	607,539	607,539	0	0	0	0	0	0	0	80,400,826	\$35,400,000			
Total PILOT			0	150,925	547,757	1,280,004	1,542,576	1,602,480	1,677,128	1,725,936	1,776,180	1,827,904	1,875,835	1,930,490	1,986,754	2,044,674	2,104,300	2,165,682	2,228,872	2,293,923	1,577,895	1,623,749	1,670,940	1,719,510	0	0	0	0	0	0	0	0	0	0	35,353,526				
Total funds collected by Division of Taxation			0	0	0	757,440	1,383,538	2,300,474	2,371,268	2,426,838	2,482,969	2,538,136	2,595,014	2,653,663	2,714,147	2,080,499	2,119,141	2,158,765	2,199,397	2,241,065	2,283,796	2,327,620	2,372,566	2,418,665	1,207,222	607,539	607,539	0	0	0	0	0	0	0	45,047,300				

Qualified Jobs Incentive Tax Credit

Estimated Total Qualified Jobs Tax Credit Cash by Fiscal Year

# Fiscal Year - Projected Tax Credit Certifications	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
1 Advertising Ventures	-	-	-	-	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	-	-	260,000
2 Agoda Travel Operations USA, Inc. ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
3 Alliance Paper Company, Inc. ⁽¹⁾	-	-	-	-	29,679	29,679	29,679	29,679	29,679	29,679	29,679	29,679	29,679	29,679	-	-	296,790
4 Aretec	-	-	-	-	-	44,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	-	800,000
5 AT Cross Company ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
6 Boston Energy	-	-	-	-	-	39,000	77,250	93,750	93,750	93,750	93,750	93,750	93,750	93,750	93,750	-	866,250
7 Change Healthcare	-	-	-	-	-	-	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	480,000
8 Collette Travel Service, Inc.	-	-	-	-	-	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	-	1,300,000
9 Custom & Miller Box	-	-	-	-	-	31,000	53,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	-	612,000
10 eMoney Holdings, LLC	-	-	-	-	160,452	254,312	343,429	343,429	343,429	343,429	343,429	343,429	343,429	343,429	-	-	3,162,196
11 Epiq Systems, Inc. ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
12 Finlay Extracts & Ingredients USA, Inc.	-	-	-	-	54,984	74,521	153,075	153,075	153,075	153,075	153,075	153,075	153,075	153,075	-	-	1,354,105
13 General Electric Company ⁽¹⁾	-	-	-	-	248,200	372,300	496,400	496,400	496,400	496,400	496,400	496,400	496,400	496,400	-	-	4,591,700
14 GEV	-	-	-	-	-	48,000	114,000	221,000	221,000	221,000	221,000	221,000	221,000	221,000	221,000	-	1,930,000
15 Gotham Greens Holdings, LLC	-	-	-	-	93,461	93,461	93,461	93,461	93,461	93,461	93,461	93,461	93,461	93,461	-	-	934,610
16 Granite Telecommunications, LLC	-	-	-	-	27,776	57,288	86,800	86,800	86,800	86,800	86,800	86,800	86,800	86,800	-	-	779,464
17 Greystone of Lincoln, Inc. ⁽¹⁾	-	-	-	-	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	-	-	460,000
18 Immunex RI Corporation	-	-	-	-	-	-	461,902	545,984	568,484	597,312	608,508	619,928	631,577	643,458	655,469	667,378	6,000,000
19 Infinity Meat Solutions, LLC.	-	-	-	-	-	481,000	753,000	941,000	965,000	993,000	1,018,000	1,040,000	1,069,000	1,099,000	1,125,000	-	9,484,000
20 Infosys Limited	-	-	-	-	-	115,600	231,300	404,800	809,500	1,156,500	1,156,500	1,156,500	1,156,500	1,156,500	1,156,300	-	8,500,000
21 Ivory Ella, LLC.	-	-	-	-	61,789	71,165	76,367	76,367	76,367	-	-	-	-	-	-	-	362,055
22 iXblue Defense Systems, Inc.	-	-	-	-	78,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	-	-	1,032,000
23 Johnson & Johnson Services, Inc.	-	-	-	-	442,586	442,586	442,586	442,586	442,586	442,586	442,586	442,586	442,586	442,586	-	-	4,425,860
24 Lexington Lighting Group, LLC	-	-	40,187	45,171	42,230	45,477	47,109	-	-	-	-	-	-	-	-	-	220,173
25 Magellan HRSC, Inc.	-	-	-	-	61,889	128,491	243,535	243,535	243,535	243,535	243,535	243,535	243,535	243,535	-	-	2,138,660
26 Ocean State Jobbers, Inc.	-	-	-	-	206,538	266,962	324,663	330,164	335,725	341,457	347,247	353,154	359,152	365,128	-	-	3,230,190
27 RESH	-	-	-	-	-	-	66,750	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	735,000
28 Response Tech	-	-	-	-	-	-	33,750	71,250	71,250	71,250	71,250	71,250	71,250	71,250	71,250	71,250	675,000
29 Rubius Therapeutics, Inc.	-	-	-	-	-	242,000	378,000	380,000	382,000	384,000	386,000	388,000	390,000	391,000	394,000	-	3,715,000
30 SenTec	-	-	-	-	-	39,000	53,250	53,250	53,250	53,250	53,250	53,250	53,250	53,250	53,250	-	518,250
31 smartShift	-	-	-	-	-	-	60,000	103,500	191,250	191,250	191,250	191,250	191,250	191,250	191,250	191,250	1,693,500
32 Surplus Solutions, LLC	-	-	-	50,871	46,102	46,102	46,102	46,102	46,102	46,102	46,102	46,102	46,102	-	-	-	465,789
33 Trade Area Systems, Inc. ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
34 United Natural Foods, Inc.	-	-	-	-	464,882	200,916	200,916	200,916	200,916	200,916	200,916	200,916	200,916	-	-	-	2,072,210
35 Virgin Pulse, Inc.	-	-	-	564,597	465,754	658,797	894,739	-	-	-	-	-	-	-	-	-	2,583,887
36 VistaPrint Corporate Solutions, Inc.	-	-	-	-	83,793	142,209	252,318	252,318	252,318	252,318	252,318	252,318	252,318	252,318	-	-	2,244,546
37 Whiting & Davis, LLC.	-	-	-	-	25,522	25,522	25,522	25,522	25,522	25,522	25,522	25,522	25,522	25,522	-	-	255,220
38 Xeros, Inc. ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
39 Future Foam	-	-	-	-	-	30,000	34,500	38,250	38,250	38,250	38,250	38,250	38,250	38,250	38,250	-	370,500
Qualified Jobs Incentive Tax Credits	\$0	\$0	\$40,187	\$660,638	\$2,665,636	\$4,287,388	\$6,513,403	\$6,253,388	\$6,799,899	\$7,135,092	\$7,179,078	\$7,220,405	\$7,269,052	\$7,070,891	\$4,401,769	\$1,052,128	\$68,548,954


Notes:

1.) Award not anticipated based on current project status.

2.) Incentive agreement with Agoda Travel Operations USA, Inc. terminated by mutual consent due to a change in corporate strategy resulting in corporate consolidation.

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