



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION

OFFICE of MANAGEMENT & BUDGET
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MEMORANDUM

To: The Honorable Marvin L. Abney
 Chairman, House Finance Committee

The Honorable William J. Conley, Jr.
 Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
 Executive Director/State Budget Officer

Date: February 25, 2020

Subject: Corrections to the FY 2021 Appropriations Act
 (20-H-7171)

The Budget Office has reviewed the FY 2021 Appropriations Act as posted on the legislative website and through this review and from feedback provided by the House Fiscal Staff have identified typographical errors that were contained in the original version submitted by our office to the Legislative Counsel's office. Attached is a list of the errors and corrections by Article number and page and line number within each article.

Also provided are new sections for Articles 8 and 10 that were inadvertently left out of the original appropriations act as submitted by our office. The new section in Article 8 proposes to increase the tax credit available for contributions made for scholarships from \$1.5 million to \$2.0 million beginning in FY 2022. This change was accounted for in the revenue estimates used in the five-year forecast. The new sections in Article 10 propose to allow the School for the Deaf (RISD) to enter into fee-for-service agreements with local education agencies for the provision of hearing screening tests. Savings of \$235,000 were assumed in the Department of Education/RISD budget in FY 2021 based on implementation of this fee-for-service program.

If you have any questions regarding these corrections, please feel free to call me at 222-6300.

TAM: 21-Amend-1

cc: Sharon Reynolds Ferland, House Fiscal Advisor
 Stephen Whitney, Senate Fiscal Advisor
 Jonathan Womer, Director, Office of Management and Budget

1 New Section – Article 8

2 SECTION X. Section 44-62-3 of the General Laws in Chapter 44-62 entitled “Tax Credits for
3 Contributions to Scholarship Organizations” is hereby amended to read as follows:

4 **44-62-3. Application for the tax credit program.**

5 (a) Prior to the contribution, a business entity shall apply in writing to the division of taxation.

6 The application shall contain such information and certification as the tax administrator deems necessary
7 for the proper administration of this chapter. A business entity shall be approved if it meets the criteria of
8 this chapter; the dollar amount of the applied for tax credit is no greater than one hundred thousand
9 dollars (\$100,000) in any tax year, and the scholarship organization that is to receive the contribution has
10 qualified under § 44-62-2.

11 (b) Approvals for contributions under this section shall be made available by the division of
12 taxation on a first-come-first-serve basis. The total aggregate amount of all tax credits approved shall not
13 exceed one million five hundred thousand dollars (\$1,500,000) in a fiscal year. In the fiscal year 2022 and
14 each fiscal year thereafter, the total aggregate amount of all tax credits approved shall not exceed two
15 million dollars (\$2,000,000) in a fiscal year.

16 (c) The division of taxation shall notify the business entity in writing within thirty (30) days of
17 the receipt of application of the division's approval or rejection of the application.

18 (d) Unless the contribution is part of a two-year plan, the actual cash contribution by the business
19 entity to a qualified scholarship organization must be made no later than one hundred twenty (120) days
20 following the approval of its application. If the contribution is part of a two-year plan, the first year's
21 contribution follows the general rule and the second year's contribution must be made in the subsequent
22 calendar year by the same date.

23 (e) The contributions must be those charitable contributions made in cash as set forth in the
24 Internal Revenue Code.