

## **Companies collected \$39.7 million in R.I. state tax credits in fiscal year 2010**

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PROVIDENCE – Sixty-seven companies in Rhode Island collected \$39.7 million in state tax credits for the fiscal year ended June 30, the R.I. Division of Taxation said Monday.

The report, however, does not include the number of jobs or economic impact created by the credits.

Companies collecting tax credits, bonds, grants, loans and loan guarantees represented the advertising, banking, biodiesel, film, medical and retail industries, among others. The report said 35 companies were based in Rhode Island. The report listed separately some companies that all fall under one larger parent corporation.

In all:

- Six companies saved \$9.4 million by having the R.I. Economic Development Corporation waive the sales tax for costs associated with certain projects.
- Two companies received a combined \$200,000 under a law that allows the EDC to grant tax certificates to technology companies.
- Fourteen companies received \$21.3 million for creating jobs.
- Forty companies in enterprise zones collected \$715,186.
- Five companies used the state's motion picture tax credit to collect a total of \$8.1 million.

CVS Caremark Corp. received the largest amount of tax credits - \$22.4 million - from four different programs, including \$16.7 million through the Jobs Development Act. Brotherhood Productions Inc. received the next largest amount of tax credits - \$5.1 million under the state's film credit law. The Los Angeles-based company filmed the Showtime television series "Brotherhood."

Other companies receiving large tax credits included FMR Rhode Island, a spin-off of Fidelity Investments. FMR saved \$3.1 million by having sales tax waived. Two sister companies received a combined \$423,340 under the same program. Boston-based Fidelity recently completed construction work at its Smithfield campus.

The smallest credit went to Fleet Growth Resources IV Inc. of Charlotte, N.C., which collected \$125 under the Jobs Development Act. Fleet Growth Resources II collected a \$157 tax credit for

creating jobs. Both are divisions of Bank of America, which itself received a \$3.9 million credit for creating jobs.

The report does not provide analysis or an economic impact of the tax credits.

The Poverty Institute of Rhode Island released a statement Monday evening that assailed the state for spending money on credits.

“In difficult times like this, it is imperative that we are getting the biggest bang for our collective bucks,” Executive Director Kate Brewster said. “By depleting our resources on untested tax credits and incentives we are missing opportunities to invest in proven economic development strategies like education and infrastructure.”

The institute also complained that the report failed to include the number of jobs or economic benefits created by the credits, information required by law.

R.I. Tax Administrator David Sullivan told Providence Business News Tuesday that information was available only from the R.I. Department of Labor and Training, which is bound by law from releasing it.

“Unfortunately right now the way the law is we can’t get the info,” he said.

Sullivan said attempts earlier this year work with the General Assembly to clarify the law were unsuccessful. The Assembly has since gone home and typically does not return until after the November elections.

The full report is available [here](#).