
Application Guidelines for the Rhode Island Jobs Tax Credit Act

These Guidelines are intended to **assist** you in completing the RI Jobs Tax Credit Act Application for Election. They in no way replace the Rhode Island Jobs Training Tax Credits Act (R.I.G.L. 42-46.6 et al.) or the Regulations promulgated by the Rhode Island Human Resource Investment Council and on file with the RI Secretary of State.

1. Applicant Information

- A. Name, address, etc., of the organization applying for the certification. Only for-profit Rhode Island businesses are eligible to apply. The Contact Person should be the employee or company representative who can best respond to questions regarding the contents of this application, especially the information relating to the training activity. (see section 2)
- B. Both your Federal Employer Identification (FEIN) and State DLT Account numbers must be listed. Please note: these are not the same numbers.
- C. Primary SIC code is required for the application. If you do not know your company's primary SIC code, call 277 – 3705.
- D. Total Number of Employees in Rhode Island, not the number of employees to be trained
- E. The description should be a brief snapshot of the organization including but not limited to: products manufactured, services provided, examples of present customers, number of employees, number of years operating in RI etc.

2. Training

- A. The training areas listed are examples of the types of activities that may lead to improving the skills of the employees. This is not an inclusive list. Applicants may indicate more than one area. They may list additional areas as appropriate.
- B. Your response to this question should include the following:
 - What are the goals and objectives for the training program?
 - Why is the training needed?
 - What skills are your employees currently lacking that will be provided by the training?
 - How will the training increase the competitiveness of the company?
 - What specific training will take place? Include a training outline and narrative description.
 - What format will be used to deliver the training? Classroom training? On-the-Job Training? Or a combination of the two?
 - When will the training take place (during the workday, nights, weekends etc.)?
 - How will you evaluate the training (both short and long term)? What will be done with the results?

Examples on training programs that will **not** be approved include: new employee orientations, personal development activities not related to job responsibilities, and non-job related conferences.

Multiple training programs or activities can be included in one application. However, the applicant must respond to the above set of questions for each program separately.

Modifications to any and all training programs must be **approved in advance**. Requests to modify can be made in writing to the HRIC at the address listed on the application. Examples of activity changes that warrant modifications include: increasing the number of employees being trained; major changes to the program description or design, and postponing or delaying start dates. Minor changes such as starting the class an hour later, adding a week to the class, starting a week later etc. do not require a modification. When in doubt call the HRIC staff for clarifications

- C. The estimated start date should be within six months of the application date. If not, an explanation is necessary. If it is delayed for any reason, the HRIC must be notified in writing.
- D. While the statute allows for the use and application of other public funds, training dollars expended and taken as a credit under other state tax programs are not eligible for the Jobs Training Tax Credit. Provided all other provisions are met, employer contributions or matches to other HRIC programs (Project Upgrade, Competitive Grants, Worksite Literacy) are eligible.
- E. This cost refers to the total cost of the training not just the amount you plan on taking as a credit.

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The budget component should be detailed, clear, and easily followed. The line items listed should be easily matched to the activities outlined in the training section (2B). Allowable training costs can include: tuition, trainer/consultant fees, textbooks, training materials, classroom space, wages while in training.

- F. Who will provide the training and what is your selection method? Will it be in-house trainers, local educational institutions or training/educational consultants?
- G. In rare cases training outside of RI will be authorized. If the training is not available in RI or it is but at a prohibitive cost, exceptions will be considered. If outside of RI please explain why Training cannot be conducted on site, at local career and technical school or any other appropriate training facility.
- H. Self-explanatory
- I. The legislation requires the HRIC to measure the economic impact of the tax credit. This information will allow us to do so. Names and SS #s are required. (Example format)

Name	SS#	Average # Hrs/Wk	Hourly Wage		
			Start of Training	End of Training	After 18 months (est.)
1. Doe, J	001-01-0001	35	\$10 hr.	\$11	\$12
2. Horn, M.	111-11-1111	40	\$14 hr.	\$15	\$17

3. Signatory Section

The HRIC cannot be responsible for applications submitted to any other address. While many applicants are working with various Chambers of Commerce, Regional Employment Boards and other similar organizations, the applicant is solely responsible for submitting the application properly.

Special Notes:

- The Human Resource Investment Council is responsible for certifying the applicant's election and notifying the RI Tax Division of that certification.
- The employer has the sole responsibility to insure that the certified training has been provided to the authorized employees prior to leveraging the tax credit.
- All approved projects are subject to HRIC oversight. Reasonable advanced notice will be given.
- The maximum amount per employee on which the tax credit can be based is \$5000 per employee in any three year period.
- Only \$1000 of that \$5000 amount can be based on participating employees wages and benefits.
- If the individual providing the training and instruction is **also** an employee of the company, then their wages are not subject to the above limitations. However if that staff person is a trainee at any time, then their wages are subject to the limitations described.
- Credit is limited to 50% of the qualifying expenses in 1997 and thereafter.
- 50% of the credit shall be allowed in the taxable year it occurs and the balance in the following taxable year.
- To qualify an employee must work a minimum of thirty hours (30) per week within the boundaries of the State of RI when training commences and for a period of eighteen (18) months following completion of the program.
- The qualifying employee must earn at least 150% of the RI minimum wage upon completion of training and continue to do so for eighteen (18) months.
- The credit shall be recaptured if the employee involuntarily becomes no longer a qualified employee. This may happen as a result of: a reduction of hours, a layoff or a plant closing.
- Specific questions regarding your businesses specific tax situations, not directly related to the certification process, should be directed to your accountant and/or the RI Division of Taxation 277 - 6265

Review and Decision Process

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The HRIC has developed an application and review process that will hopefully expedite the entire certification process. There are three possible results of the HRIC review: certification, rejection, and further information needed. Applicants will be informed, in a timely manner, of the status of their application.