

City of Newport Ordinance of the Council No. 2005-027

NEWPORT ARTS AND ENTERTAINMENT DISTRICT

**4.10.010. Intent.**

A. The city of Newport identifies a need for an arts district to promote artisan business activity that will promote economic activity in harmony with the quality of life, and comply with the Newport zoning code. In accordance with Section 44-18-30.B of the Rhode Island General Laws, the adoption of a Newport arts and entertainment district shall:

1. Allow an exemption from Rhode Island state sales tax for consumers purchasing original art from an artist residing in the designated district with a principal place of business in the district, or a one-of-a-kind work of art sold by an art gallery located within the district; and
2. Allow an artist, writer, or composer to adjust his/her federal adjusted gross income for Rhode Island income tax purposes if the individual artist, writer or composer resides in the designated district and creates the work while living in the district and derives the income from such work while residing in the district.

B. An individual or gallery must apply to the Rhode Island Division of Taxation for a Certificate of Exemption for Artistic Works and meet all statutory requirements to benefit from the tax benefits. (Ord. 2005-27 § 1 (part), 2005)

**4.10.020. Newport arts and entertainment district established.**

In accordance with the provisions of Rhode Island General Laws Section 44-18-30.B, the following geographic areas of the city of Newport are hereby designated as the Newport artistic community, hereafter known as the "Newport arts and entertainment district":

- A. Areas zoned as "general business";
- B. Areas zoned as "limited business";
- C. Areas zoned as "waterfront business";
- D. Areas zoned as "R-3"; and
- E. Areas zoned as "R-10."

(Ord. 2005-27 § 1 (part), 2005)

*(read and passed October 12, 2005)*

# TITLE 44

## Taxation

### CHAPTER 44-18

#### Sales and Use Taxes – Liability and Computation

##### SECTION 44-18-30.B

**§ 44-18-30.B Exemption from sales tax for sales by writers, composers, artists – Findings. –**  
(a) The general assembly makes the following findings of facts:

(1) The downtown area of the city of Providence has been characterized by blighted areas, and dilapidated and abandoned structures;

(2) As a result, the downtown area has been designated an economic development zone in order to stop the deterioration and stimulate economic activity;

(3) The capitol center area of the city of Providence has become an attractive location, especially with the construction of the Providence Place Mall;

(4) In order to promote, revitalize and redevelop the "Old Downtown" area of the city of Providence it is necessary to provide tax exemptions to this area as it has been designated as an economic development zone;

(5) In order to promote, revitalize, and redevelop the "Downtown or other industrial or manufacturing buildings" located in the City of Pawtucket, it is necessary to provide tax exemptions to this area as it has been designated as an economic development zone;

(6) The development of an active artistic community, including "artists in residence", in this area would promote economic development, revitalization, tourism, employment opportunities, and encourage business development by providing alternative commercial enterprises while in Providence creating a link between the Old Downtown and the Capital Center Area;

(7) There is a separate artistic community in the town of Westerly which is important to preserve, promote, and revitalize, and which is distinct from that in the city of Providence;

(8) There is a separate artistic community in the city of Woonsocket which is important to promote and revitalize and which is distinct from that in the cities of Providence and Pawtucket and the town of Westerly;

(9) There is a separate artistic community in the city of Warwick which is important to preserve, promote, and revitalize and which is distinct from that in the cities of Providence, Pawtucket, Woonsocket and the town of Westerly;

(10) There are separate artistic communities in the city of Newport and in the town of Tiverton which are important to promote and revitalize and which are distinct from those in the cities of Providence, Pawtucket, Warwick and Woonsocket and the towns of Westerly and Little Compton;

(11) There is a separate artistic community in the town of Warren which is important to promote and revitalize and which is distinct from that in the cities of Providence, Pawtucket, Newport, Warwick and Woonsocket and the towns of Westerly and Tiverton.

(b) This section only applies to sales by writers, composers and artists residing in and conducting a business within a section of the defined economic development zone in the cities of Providence or Pawtucket, or the defined economic development zone in the town of Westerly or the defined economic zone in the city of Woonsocket, or the defined economic zone in the city of Warwick, or in those areas within the city of Newport, and the town of Little Compton, which are zoned "general business," "waterfront business," or "limited business" or have been designated by the city of Newport as part of the arts district, or in those areas of the town of Warren which are zoned "waterfront district," "special district," "village business district," "manufacturing district," "business district" or "Warren historic district," or in those areas of the town of Tiverton which are zoned "business commercial," "business waterfront" or "village commercial." For the purposes of this section, a "work" means an original and creative work, whether written, composed or executed for "one-of-a-kind limited" production and which falls into one of the following categories:

- (i) A book or other writing;
- (ii) A play or the performance of said play;
- (iii) A musical composition or the performance of said composition;
- (iv) A painting or other like picture;
- (v) A sculpture;
- (vi) Traditional and fine crafts;
- (vii) The creation of a film or the acting within the film;
- (viii) The creation of a dance or the performance of the dance.

(2) For the purposes of this section, a "work" includes any product generated as a result of any of the above categories.

(3) For the purposes of this section, a "work" does not apply to any piece or performance created or executed for industry oriented or related production.

(c) This section applies to sales by any individual:

(i) Who is a resident of and has a principal place of business situated in the section of the economic development zone designated as the arts and entertainment district in the downtown area of the city of Providence or in the city of Pawtucket, or the defined economic development zone in the town of Westerly or the defined economic zone in the city of Woonsocket, or the defined economic zone in the city of Warwick, or who is a resident of and has a principal place of business situated in those areas within the city of Newport or the town of Little Compton, which are zoned "general business," "waterfront business," or "limited business," or have been designated by the city of Newport as part of the arts district, or who is a resident of and has a principal place of business situated in those areas within the town of Warren which are zoned "waterfront district," "special district," "village business district," "manufacturing district," "business district" or "Warren historic district," or who is a resident or has a principal place of business situated in those areas within the town of Tiverton which are zoned

"business commercial," "business waterfront" or "village commercial." For the purposes of this section, the Providence arts and entertainment district in Providence is defined as the area bounded by Pine Street to the southeast, Dorrance Street to the northeast, Sabin Street to the northwest and Empire Street to the southwest. Said Providence arts and entertainment district also includes the area beginning at the point of intersection of Acorn Street and Harris Avenue, then turning east onto Atwells Avenue to Service Road 7, then turning southerly onto Service Road 7 to Westminster Street, then turning westerly onto Westminster Street, continuing until Bridgham, then turning south onto Bridgham to Cranston Street, then turning southwesterly onto Cranston Street, then continuing to Messer Street, then turning north onto Messer Street to Westminster Street, turning west onto Westminster Street to US Hwy 6 off ramp, then heading west on US Hwy 6 to Sheridan Street, then heading northeast on Sheridan Street to Aleppo Street, then turning southeast along Aleppo Street to Pelham Street, then heading northeast on Pelham Street to Manton Avenue, then continuing southeast on Manton Avenue until Delaine Street, then heading northeast on Delaine Street until Appleton Street, then continuing northwesterly on Appleton Street until Bowdoin Street, then heading north on Bowdoin Street until Barstow Street, then heading east on Barstow until Valley Street, then heading northeast on Valley Street to Hemlock Street, then turning southeast on Hemlock Street until Promenade Street, then heading east on Promenade Street to Acorn Street, then heading south on Acorn Street to the intersection of Acorn Street and Harris Avenue. The named streets are included in the Providence district; and in Pawtucket is defined as the area beginning at the point of intersection of Dexter Street and the Central Falls line, then east along the Central Falls line to the Blackstone River, then north along the city boundary on the Blackstone River to the Cumberland line, then west along the Pawtucket city boundary line to I-95, then south along I-95 to Pine Street, then north on Pine Street to AMTRAK Right of Way, then northwest along the AMTRAK Right of Way to Dexter Street, then north on Dexter Street to the Central Falls line. The named streets are included in the district. The Westerly arts and entertainment district is defined as assessor's plat 56, lots 1 through 24, lot 48, lots 50 through 62, and lots 71 through 82, and assessors plat 66, lots 22 through 26, and lots 29 through 36 the Woonsocket arts and entertainment district is defined as the area beginning at a point of land on the southwest bank of the Blackstone River abutting the bridge for the Providence & Worcester Railroad and proceeding northerly to a point at the intersection of Worrall Street, Clinton Street and Harry S. Truman Drive, then proceeding northwesterly along Worrall Street to its intersection with Social Street, then turning westerly on Social Street proceeding to its intersection with Main Street, Blackstone Street and North Main Street, then turning northwesterly and proceeding along Blackstone Street to its intersection with River Street, then turning northerly and proceeding along River Street to its intersection with the north/east bank of Blackstone River, then following the riverbank southerly to the bridge at Bernon Street and turning easterly crossing the Blackstone River via Bernon Street and proceeding to its intersection with Front Street, then turning northeasterly on Front Street and proceeding to its intersection with Hamlet Avenue, and to include the former courthouse on the southerly side of Front Street at its intersection with Hamlet Avenue, then turning easterly on Hamlet Avenue and proceeding to its intersection with Manville Road, then turning southeasterly on Manville Road and proceeding to its intersection with Davison Avenue, then turning northeasterly on Davison Avenue and proceeding to a point on the south/west bank of the Blackstone River, then turning northerly, following the southerly riverbank to the point of beginning. The abovementioned streets are included in the district. The Warwick arts district is defined as that area known as Pontiac Village, beginning on Route 5 at the Warwick/Cranston municipal boundary, then south to the intersection of Route 5 and the Pawtuxet River, then following the Pawtuxet River in an easterly and northerly direction to the municipal boundary in the vicinity of Knight Street, then from the intersection of Knight Street and the municipal boundary westerly along the Warwick/Cranston municipal boundary to the intersection of Route 5 and Greenwich Avenue. The above named streets are included in the district.

(ii) Who is determined by the tax administrator, after consideration of any evidence he or she deems necessary or which is submitted to him or her by the individual, to have written, composed, or executed, either solely or jointly, a work or works which would fall into one of the categories listed in

subsection (b)(1).

(2) This section also applies to sales by any other gallery located in the arts and entertainment district described in subsection (c)(1)(i) as well as any other arts and entertainment district designated by the general assembly, as well as to sales by any other gallery located in those areas within the city of Newport, or the town of Little Compton, which are zoned "general business," "waterfront business," or "limited business" or have been designated by the city of Newport as part of the arts district, as well as to sales by any other gallery located in those areas within the town of Warren which are zoned "waterfront district," "special district," "village business district," "manufacturing district," "business district" or "Warren historic district," as well as to sales by any other gallery located in those areas within the town of Tiverton which are zoned "business commercial," "business waterfront" or "village commercial."

(3) The tax administrator shall not make a determination unless:

(i) The individual(s) concerned duly make(s) an application to the tax administrator for the sales tax exemption which applies to the works defined in this section; and

(ii) The individual has complied and continues to comply with any and all requests made by the tax administrator.

(d) Any individual to whom this section applies and who makes an application to the tax administrator is entitled to a sales tax exemption for the sale of a work or works sold from the individual's business located in the economic development zone which would, apart from this section, be subject to the tax rate imposed by the state of Rhode Island.

(e) When an individual makes a request for the exemption, the tax administrator is entitled to all books, documents, or other evidence relating to the publication, production or creation of the works that may be deemed necessary by the tax administrator for the purposes of the exemption. The time period in which to provide this information is in the sole discretion of the tax administrator and specified in the notice.

(f) In addition to the information required in subsection (e), the tax administrator may require the individual(s) to submit an annual certified accounting of the numbers of works sold, the type of work sold, and the date of the sale. Failure to file this report may, in the sole discretion of the tax administrator, terminate the individual's eligibility for the exemption.

(g) Any person storing, using, or otherwise consuming in this state any work or works which is deemed to be exempt from the sales tax pursuant to this section is not liable for the use tax on the work or works.

(h) Notwithstanding the provisions of this section, any individual to whom this section may apply shall comply with all the administration, collection, and other provisions of chapters 18 and 19 of this title.

# TITLE 44

## Taxation

### CHAPTER 44-30

#### Personal Income Tax

#### *PART 44-30-1*

##### *General*

##### SECTION 44-30-1.1

**§ 44-30-1.1 Exemption from tax for writers, composers and artists.** – (a) This section shall only apply to writers, composers and artists residing within a section of the defined economic development zone within the city of Providence, Pawtucket, Woonsocket or Warwick, or the economic development zone within the town of Westerly as defined in § 44-18-30B(c)(1)(i), or within the city of Newport or within the town of Tiverton or the town of Little Compton, or within those areas of the town of Warren which are zoned "waterfront district," "special district," "village business district," "manufacturing district," "business district" or "Warren historic district", or a tax pass-through entity wholly owned by one or more such individuals and who create such work while residing in the zone, or in the case of Newport or the town of Little Compton, within those areas of the city or town which are zoned "general business," "waterfront business" or "limited business" or have been designated by the city of Newport as part of the arts district, or in the case of Warren, within those areas of the town which are zoned "waterfront district," "special district," "village business district," "manufacturing district," "business district" or "Warren historic district," or in the case of Tiverton with those areas of the town which are zoned "business commercial," "business waterfront" or "village commercial." For the purposes of this section, a "work" means an original and creative work, whether written, composed, created or executed for "one-of-a-kind, limited" production, before or after the passing of this section, which falls into one of the following categories: (1) a book or other writing; (2) a play or the performance of said play; (3) a musical composition or the performance of said composition; (4) a painting or other like picture; (5) a sculpture; (6) traditional and fine crafts; (7) the creation of a film or the acting of said film; (8) the creation of a dance or the performance of said dance. For purposes of this section, a "work" does not apply to any piece or performance created or executed for industry oriented or related production.

(b) This section shall apply to any individual:

(i) Who is a resident within the section of the economic development zone designated as the arts and entertainment district in the downtown areas of the cities of Providence, Woonsocket or Pawtucket, and deriving the income exempted from within said district while a resident of said zone, or who is a resident within the section of the arts and entertainment district in the town of Westerly, as defined in § 44-18-30B(c)(1)(i) and who derives the income exempted from within said district while a resident of said zone. For the purposes of this section, the "Providence arts and entertainment district" is defined as the area bounded by Pine Street to the southeast, Dorrance Street to the northeast, Sabin Street to the northwest and Empire Street to the southwest. Said Providence arts and entertainment district also includes the area beginning at the point of intersection of Acorn Street and Harris Avenue, then turning east onto Atwells Avenue to Service Road 7, then turning southerly onto Service Road 7 to Westminster Street, then turning westerly onto Westminster Street, continuing until Bridgham, then turning south onto Bridgham to Cranston Street, then turning southwesterly onto

Cranston Street, then continuing to Messer Street, then turning north onto Messer Street to Westminster Street, turning west onto Westminster Street to US Hwy 6 off ramp, then heading west on US Hwy 6 to Sheridan Street, then heading northeast on Sheridan Street to Aleppo Street, then turning southeast along Aleppo Street to Pelham Street, then heading northeast on Pelham Street to Manton Avenue, then continuing southeast on Manton Avenue until Delaine Street, then heading northeast on Delaine Street until Appleton Street, then continuing northwesterly on Appleton Street until Bowdoin Street, then heading north on Bowdoin Street until Barstow Street, then heading east on Barstow until Valley Street, then heading northeast on Valley Street to Hemlock Street, then turning southeast on Hemlock Street until Promenade Street, then heading east on Promenade Street to Acorn Street, then heading south on Acorn Street to the intersection of Acorn Street and Harris Avenue. The abovementioned streets shall be included in the district. The "Westerly arts and entertainment district" is defined in § 44-18-30B(c)(1)(i). The "Pawtucket arts and entertainment district" shall be defined as the area beginning at the point of intersection of Dexter Street and the Central Falls line, then east along the Central Falls Line to the Blackstone River, then north along the city boundary on the Blackstone River to the Cumberland line, then west along the Pawtucket city boundary line to I-95, then south along I-95 to Pine Street, then north on Pine Street to AMTRAK Right of Way, then northwest along the AMTRAK Right of Way to Dexter Street, then north on Dexter Street to the Central Falls line. The abovementioned streets shall be included in the district. The "Woonsocket arts and entertainment district" shall be defined as the area beginning at a point of land on the southwest bank of the Blackstone River abutting the bridge for the Providence & Worcester Railroad and proceeding northerly to a point at the intersection of Worrall Street, Clinton Street and Harry S. Truman Drive, then proceeding northwesterly along Worrall Street to its intersection with Social Street, then turning westerly on Social Street proceeding to its intersection with Main Street, Blackstone Street and North Main Street, then turning northwesterly and proceeding along Blackstone Street to its intersection with River Street, then turning northerly and proceeding along River Street to its intersection with the northeast bank of Blackstone River, then following the riverbank southerly to the bridge at Bernon Street and turning easterly crossing the Blackstone River via Bernon Street and proceeding to its intersection with Front Street, then turning northeasterly on Front Street and proceeding to its intersection with Hamlet Avenue, and to include the former Courthouse on the southerly side of Front Street at its intersection with Hamlet Avenue, then turning easterly on Hamlet Avenue and proceeding to its intersection with Manville Road, then turning southeasterly on Manville Road and proceeding to its intersection with Davison Avenue, then turning northeasterly on Davison Avenue and proceeding to a point on the southwest bank of the Blackstone River, then turning northerly, following the southerly riverbank to the point of beginning. The abovementioned streets are included in the district. The Warwick arts district is defined as that area known as Pontiac Village, beginning on Route 5 at the Warwick/Cranston municipal boundary, then south to the intersection of Route 5 and the Pawtuxet River, then following the Pawtuxet River in an easterly and northerly direction to the municipal boundary in the vicinity of Knight Street, then from the intersection of Knight Street and the municipal boundary westerly along the Warwick/Cranston municipal boundary to the intersection of Route 5 and Greenwich Avenue. The above named streets are included in the district.

This section shall also apply to any individual who is a resident of the city of Newport or the town of Tiverton or the town of Little Compton and whose income otherwise qualifies for an exemption as provided for in this section.

This section shall also apply to any individual who is a resident of the town of Warren and whose income otherwise qualifies for an exemption as provided for in this section.

(ii) Who is determined by the tax administrator, after consideration of any evidence in relation to the matter which the individual submits to him or her and after such consultation as may seem to him or her to be necessary with such person or body of persons as in his or her opinion may be of assistance to him or her, to have written, composed or executed either solely or jointly with another

individual, a work or works that would fall into one of the categories listed in subsection (a) of this section.

(c) An individual to whom this section applies and who duly makes a claim to the tax administrator in that behalf shall, subject to subdivision (2) of this subsection, be entitled to have the profits or gains arising to him or her from the publication, production or sale of a work or works in relation to which the tax administrator has made a determination under paragraph (b)(1)(ii) of this section to be taken as a modification reducing federal adjusted gross income.

(2) The modification authorized by this section shall apply to the year in which the profit or gain from the publication, production or sale of a work is realized.

(d) The tax administrator may serve on an individual who makes a claim under this subsection a notice or notices, in writing, requiring him or her to make available within any time that may be specified in the notice of all such books, accounts and documents in his or her possession or power as may be requested, being books, accounts and documents relating to the publication, production or sale of the work in respect of the profits or gains of which exemption is claimed.

(e) For the purpose of determining the amount of profits or gains subject to modification under this section, the tax administrator may make any apportionment of receipts and expenses that may be necessary.

(f) Notwithstanding any other provisions of this chapter, any individual seeking relief under this section shall file a Rhode Island personal income tax return listing the modification reducing federal adjusted gross income relating to profits or gains realized from the works as defined in this section.