

## High Performance Manufacturing Investment Tax Credit (10%)

High-performance manufacturers are allowed a 10% investment tax credit against their corporate tax on the cost or qualified lease amounts for tangible personal property or other tangible property, as well as buildings and structural components owned, leased to own, or leased for at least 20 years. Under current law, credits are transferable between related entities. Unused credits may be carried forward up to 15 years for biotechnology firms and up to seven (7) years for other types of manufacturers.

To meet the definition of a high-performance manufacturer, the firm must be in SIC codes 28, 30, 34 to 36, or SIC 38, and the employer is median annual wage paid to its full-time equivalent employees must be greater than the average annual wage paid by all RI employers in the same two-digit SIC. In addition, the company must meet at least one (1) of the following three criteria:

- The employer is median annual wage paid to its full-time equivalent employees is greater than or equal to 125 percent of the average annual wage paid by all employers in the state (125 percent of the average annual wage paid to all covered workers in 2004 was equal to \$46,351), or
- The average annual wage paid to the employer's full-time equivalent employees classified as production workers (as defined by the Department of Labor and Training) is greater than the average annual wage paid to all production workers in the state in the same two-digit SIC Code; or
- The firm invests at least 2 percent of total payroll costs in worker training or retraining.
- Biotechnology-related firms wishing to use the Investment Tax Credit beyond seven years must, for each tax year, maintain an average quarterly employment level that is at least 9.5% above the level maintained in the fourth year of the initial credit, and pay an average quarterly median wage is at least equal to the quarterly median wage for the previous three calendar years.
- [RI Department of Labor & Training](#)