

Innovation Tax Credit

Rhode Island offers a tax credit to encourage investment in high-growth, high-wage innovation industries. The Rhode Island Innovation Tax Credit offers investors up to a 50% credit on eligible investments, with a maximum tax credit of \$100,000. To be eligible to apply for the credit, a company must produce traded goods or services, have annual gross revenues of less than \$1 million in the prior two calendar years and must be categorized as one of the following innovation industries: Biotechnology and Life Sciences; Communication and Information Technology; Financial Services; Marine and Defense Manufacturing; Professional, Technical and Educational Services; Industrial and Consumer Product Manufacturing and Design.

The credit may be carried forward for a period not to exceed three years. Companies must apply for the credit prior to making an investment. Once an application is approved, the company has up to 12 months to make the investment and provide proof of investment back to the EDC board of directors. Upon completion of this process, EDC will certify the investor's eligibility for the credit with the Rhode Island Division of Taxation.

- [RI General Law](#)