

Jobs Development Act: Corporate Income Tax Reduction for Job Creation

The Jobs Development Act (RIGL 42-64.5-1) provides an incremental reduction in the corporate income tax rate (currently 9%) to companies that create new employment in Rhode Island over a three-year period. The reduction equals:

- A quarter percentage point (0.25%) for every ten (10) new jobs created, for those companies having a baseline employment below 100; or
- A quarter percentage point (0.25%) for every fifty (50) new jobs created, for those companies having a baseline employment above 100.

The corporate income tax may be reduced to as low as 3%. The rate reduction is permanent as long as the company maintains the same level of employment that it had at the end of the third year following the company is self-selected base period. New employees must be paid at least 250% of the state minimum wage (the current state minimum wage is \$8.00/ hour.) This benefit is subject to a finding of revenue neutrality and vote of the Commerce RI Board.

For More Information On Corporate Income Tax Rate Reduction

- RI Division of Taxation, Corporate Tax Division: (401) 222-1120
- [RI Division of Taxation Regulations](#)
- [RI General Law](#)