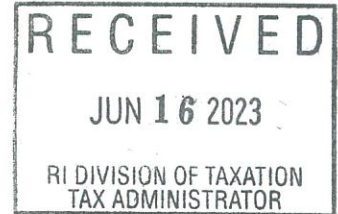




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June 12, 2023

The Honorable Marvin L. Abney
Chairperson of the House Committee on
Finance
Rhode Island State House
82 Smith Street
Providence, RI 02903

The Honorable Louis DiPalma
Chairperson of the Senate Committee on
Finance
Rhode Island State House
82 Smith Street
Providence, RI 02903

Dear Mr. Chairpersons,

Pursuant to R.I. Gen. Laws § 42-64-10(e), please find enclosed an economic impact analysis, conducted pursuant to R.I. Gen. Laws § 42-64-10(a), in relation to tax credit agreements between the Rhode Island Commerce Corporation and Miniature Casting Corporation under the Rebuild Rhode Island Tax Credit Act.

Should you have any questions or concerns, please contact the undersigned at 401-453-1200.

Very truly yours,

Thomas E. Carlotto

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Matthew Weldon, Department of Labor and Training
Neena S. Savage, Division of Taxation

Streamlined Rebuild Rhode Island Tax Credits:

Economic and tax revenue impacts of expansion of Miniature Casting, Cranston

Impact of construction

- 17 construction jobs in Rhode Island;
- \$1.10 million in earnings (in 2021 dollars);
- \$2.46 million in statewide economic output; and
- A one-time increase of nearly \$1.35 million in Rhode Island's GDP.

Table 1: Direct, indirect and total impact of construction (income, value-added and output in millions of 2021 dollars)

	Jobs	Earnings	Value added	Output
Direct	14	\$0.942	\$1.078	\$1.970
Indirect	3	\$0.162	\$0.270	0.492
Total	17	\$1.104	\$1.348	\$2.462

Construction spending would directly and indirectly generate approximately \$46,300 in state tax revenue, including:

- \$26,000 in state personal income taxes paid by workers directly employed on the project, or by Rhode Island workers whose jobs are indirectly attributable to the project;
- \$17,000 in state sales taxes paid on those workers' taxable household spending; and
- \$3,300 in state business taxes.

Impact of operations

In the first full year of its expanded operation, Miniature Casting would directly account for:

- 12 new jobs in Rhode Island;
- \$607,000 in annual earnings (in 2022 dollars);
- \$2.34 million in statewide economic output; and
- An increase of \$832,000 in Rhode Island's annual GDP.

Table 2: Direct, indirect and total impact of ongoing operations (income, value-added and output in millions of 2022 dollars)

	Jobs	Earnings	Value added	Output
Direct	8	\$0.379	\$0.482	\$1.696
Indirect	4	\$0.228	\$0.350	\$0.648
Total	12	\$0.607	\$0.832	\$2.344

The Company's expanded operations would directly and indirectly generate approximately \$22,700 annually in state tax revenue, including:

- \$11,900 in state personal income taxes paid by workers directly employed in the Company's newly-created jobs, or by Rhode Island workers whose jobs are indirectly attributable to the Company's expanded operations;
- \$9,300 in state sales taxes paid on those workers' taxable household spending; and
- \$1,500 in state business taxes.

During the construction period and the twelve-year period following construction, the proposed project would generate approximately \$362,800 in state tax revenue.