

Form RI-3468

Investment Tax Credit

Name	Federal employer identification number	For the year ending:
U.S. BUSINESS CODE NUMBER	<input type="checkbox"/> Check if company is a high performance manufacturer	

Schedule A: 10% Investment Tax Credit Calculation - Attach DLT 10% ITC Certification Letter

Description of Property	Date Placed in Service	Date Acquired	Life	Cost	% Qualifying	Basis for Credit
(a)						
(b)						
(c)						
(d)						
(e)						
(f)						
(g) Total Basis Eligible for 10% Investment Tax Credit. Add all amounts from Basis for Credit column . . .						
(h) Credit Amount for 10% Investment Tax Credit. Multiply Total Basis from line g by 10% (0.1000) . . . (You must attach current year 10% ITC Certification Letter from the Department of Labor and Training) . . .						
(i) Unused 10% Investment Tax Credit from Prior Year(s) . . . Attach schedule showing Year Generated, Amount Generated, Amount(s) Used and Year(s) Used . . .						
(j) Total 10% Investment Tax Credit Available. Add lines h and i . . .						

Schedule B: 4% Investment Tax Credit Calculation

Description of Property	Date Placed in Service	Date Acquired	Life	Cost	% Qualifying	Basis for Credit
(k)						
(l)						
(m)						
(n)						
(o)						
(p)						
(q) Total Basis Eligible for 4% Investment Tax Credit. Add all amounts from Basis for Credit column lines k - p . . .						
(r) Credit Amount for 4% Investment Tax Credit. Multiply Total Basis from line q by 4% (0.0400) . . .						
(s) Unused 4% Investment Tax Credit from Prior Year(s) . . . Attach schedule showing Year Generated, Amount Generated, Amount(s) Used and Year(s) Used . . .						
(t) Total 4% Investment Tax Credit Available. Add lines r and s . . .						

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Name	Federal employer identification number	For the year ending:

ITC Calculation - Note: This worksheet does not take into account other Rhode Island Credits. Refer to each credit law for proper usage order of credits.		
1.	Enter Tax Amount from Form RI-1120C, line 11.....	
2.	Enter Minimum Tax Amount (see instructions).....	
3.	Maximum ITC Amount. Subtract line 2 from line 1.....	
4.	Enter 4% credit amount from Form RI-3468, page 1, Schedule B, line t.....	
5.	4% ITC Credit Used. If line 4 is less than or equal to line 3, enter the amount from line 4 here. If line 4 is more than line 3, enter the amount from line 3 here.....	
6.	Tax Balance after 4% ITC credit usage. Subtract line 5 from line 3.....	
7.	Multiply line 6 times 50% (0.5000) and enter here. 10% ITC is limited to half the tax amount. However, if the entity is a high performance manufacturer, enter amount from line 6. The half tax limitation does not apply to high performance manufacturers....	
8.	10% ITC Credit Used. Enter the lesser of line 7 or the 10% ITC amount from Form RI-3468, page 1, Schedule A, line j....	
9.	ITC Credit. Add lines 5 and 8. Enter here and on the applicable line on Schedule B-CR.....	
10.	F4% ITC carryforward amount. Subtract line 5 from Form RI-3468, page1, Schedule B, line t.....	
11.	10% ITC carryforward amount. Subtract line 8 from Form RI-3468, page1, Schedule A, line j.....	

DRAFT 09/14/2023

**Investment Tax Credit
R.I. Gen. Laws § 44-31**

INSTRUCTIONS

1. For taxable years beginning on or after July 1, 1974, Section 31 of Chapter 44 of the Rhode Island General Law allows an investment tax credit of two percent (2%) of the cost or other basis used for federal income tax purposes on certain property. Provided, however, the amount of the credit shall be four percent (4%) of the cost or other basis for federal income tax purposes of tangible personal property and other tangible property, including buildings and other structural components of buildings that are acquired, constructed, reconstructed or erected after December 31, 1993. For taxable years ending on or after 1/1/1998, the credit is (10%) for certain tangible personal property and other tangible property, excluding buildings and structural components of buildings, motor vehicles and furniture, which are acquired after 1/1/1998. To qualify for such credit the items must (a) be depreciable pursuant to Sec. 179 (d) thereof, (b) have a useful life of 4 years or more, (c) have a situs in this state, and (d) be principally used by the taxpayer in the production of goods by manufacturing, processing or assembling.
2. The items listed in this schedule should be in such form as will present an accurate statement. Complete details substantiating the amounts shown must be made available on request.
3. At the election of the taxpayer, an investment tax credit may be allowed on otherwise qualifying property in lieu of elective deductions on facilities qualifying as: (a) Air and water pollution control facilities and (b) Research and Development facilities.
4. If the property is disposed of or ceases to be in qualified use during the INITIAL taxable year, the credit allowed is 2%, 4% or 10% of the cost or other basis of the property multiplied by a fraction the numerator of which is the months of qualified use during the year of purchase and the denominator of which is the total months of useful life (submit rider for such items).
5. Credit may not be claimed on property leased to or from others, unless such lease is treated for federal income purposes as an installment purchase rather than a lease.
6. For tax years 1/1/2004 through 12/31/2015, the total credit may not reduce the tax for any year to less than \$500.00. For tax year beginning 1/1/2016 through 12/31/2016, the total credit may not reduce the tax year to less than \$450.00. Effective for tax year beginning 1/1/2017, the total credit may not reduce the tax to less than \$400.00. Unused investment tax credit amounts may be carried forward for seven years.
7. If property is disposed of or ceases to be in qualified use other than the initial taxable year, the difference between the credit taken and the credit allowed for actual use must be added back in the year of disposition on the appropriate line of tax on Form RI-1120C and not on Form RI-3468. A taxpayer may not reduce the amount of tax liability created by a recapture of investment tax credit by investment tax credits allowed for the year in which the asset is disposed of, nor can it be reduced by any carryover of investment tax credit to that year. The recapture is the tax credit taken on property ceasing to qualify multiplied by a fraction the numerator of which is the useful life of property in months less the qualified use in months and the denominator is the useful life of the property in months.

For example, qualified property is purchased by a calendar year taxpayer on 1/1/1975 for \$100,000.00 and has a useful life of 10 years (120 months) for federal depreciation purposes. The credit taken for 1975 is 2% of \$100,000.00 or \$2,000.00. If it is disposed of or traded in on 12/31/1980 after being used for 6 years (72 months), \$800.00 of the credit originally taken must be added back for 1980, since the asset was disposed of while it still had 4 years (48 months) of useful life remaining at 40%.

$$\text{\$2,000.00} \times \frac{\text{120} - \text{72}}{\text{120}} = \text{\$800.00}$$

(Submit rider for such items)

A recapture of a portion of the investment tax credit is required where property on which a credit has been allowed is disposed of or ceased to be in qualified use except: (a) where property was in qualified use for its entire useful life, or (b) where property was in qualified use for more than twelve consecutive years.

10% Investment Tax Credit - If you qualify for the 10% investment tax credit, you must submit a copy of your 10% ITC Certification from the Department of Labor and Training.

Credit Carryover Schedule - If you have unused credit from prior years, you must attach a schedule detailing the type of investment tax credit (4% or 10%), the amount of credit generated, the year the credit was generated, the amount of credit used, and the year the credit was used.