

State of Rhode Island - Division of Taxation

Tax Credits/Deductions

Regulation CR 95-08

Residential Lead Hazard Removal

I. GENERAL:

An individual is entitled to a credit against his or her Rhode Island personal income tax liability for residential lead removal if he or she:

1. obtains written certification by an environmental lead inspector, certified pursuant to chapter 23-24.6 of the general laws, that lead removal or lead hazard reduction for his/her dwelling unit in Rhode Island is required by rules or regulations issue pursuant to authority conferred under chapter 23-24.6 of the general laws;
2. has the required lead removal or lead hazard reduction performed by a lead hazard reduction contractor licensed pursuant to chapter 23-24.6 of the general laws;
3. pays for the lead removal or lead hazard reduction; and
4. obtains written certification by an environmental lead inspector, certified pursuant to chapter 23-24.6 of the general laws, that the required lead removal or lead hazard reduction for the dwelling unit has been completed in accordance with all applicable requirements and that the dwelling is acceptable for re-occupancy.

THE TAXPAYER MUST COMPLETE ALL 4 STEPS ABOVE TO BE ELIGIBLE FOR THE CREDIT.

II. CALCULATION:

The tax credit is equal to the amount actually paid for the required lead removal or lead hazard reduction up to a maximum of one thousand dollars (\$1,000) per dwelling unit. "A dwelling unit" includes by way of examples an apartment, a condominium, or a single family home.

III. DIVISION OF THE CREDIT:

In the event that (a) multiple owners of the dwelling unit or (b) owners(s) and renter(s)/Lessee(s) of the dwelling unit have jointly incurred costs and paid for the lead removal/lead hazard reduction, the one thousand dollar (\$1,000) credit shall be divided proportionally among such persons based on their respective contributions to the cost of lead removal/lead hazard reduction.

IV. CARRYOVERS AND LIMITATIONS:

Any amount of tax credit not used may be carried forward for five (5) tax years. The credit may not be applied until all other credits available to the taxpayer for that taxable year have been

applied.

V. DOCUMENTATION AND CERTIFICATES REQUIRED:

Taxpayers seeking the credit must complete form RI 6238 and attach copies of the certificates referenced above from:

1. an environmental lead inspector, certified pursuant to chapter 23-24.6 of the general laws, that lead removal or lead hazard reduction for his/her dwelling unit in Rhode Island is required by rules or regulations issue pursuant to authority conferred under chapter 23-24.6 of the general laws; and
2. an environmental lead inspector, certified pursuant to chapter 23-24.6 of the general laws, that the required lead removal or lead hazard reduction for the dwelling unit has been completed in accordance with all applicable requirements and that the dwelling is acceptable for re-occupancy.

Taxpayers must retain payment documentation to substantiate the amounts paid for lead removal/reduction.

Documentation concerning the division of the credit should be attached to the tax returns of all parties to whom a share of the credit is being given.

R. GARY CLARK TAX ADMINISTRATOR

DATE: JANUARY 1, 1995