



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
DIVISION OF TAXATION  
One Capitol Hill  
Providence, RI 02908-5810

April 4, 2003

Patricia A. Thompsor, CPA  
Piccerelli, Gilstein & Company, LLP  
144 Westminster Street  
Providence, RI 02903

Dear Ms. Thompson:

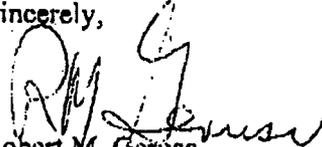
In reference to your meeting with Virginia O'Shan and John Nugent of this office and your subsequent letter of April 2, 2003, please be advised as follows:

The Tax Division's position regarding the tax treatment of the allocation of the Historic Tax Credit among the partners in multi-tier pass-through entities is to treat the allocation consistent with general partnership allocation principles. As a result, the allocation of the credit to the partners at the first level and then again at the second level (and onward through any number of tiers of pass-through entities) is not considered the assignment, transfer, or other conveyance of the credit. This annuls the Tax Division's position stated in the letter dated December 23, 2002.

The ultimate partner entitled to the credit may assign, transfer, or otherwise convey the credit but that partner's assignee may not further assign, transfer, or otherwise convey the credit. The credit may pass through any number of pass-through entities but may be assigned, transferred, or otherwise conveyed only once.

Finally, R.I.G.L. §44-30-6 applies to the interpretation of terms used in the Rhode Island Historic Credit Law.

Sincerely,

  
Robert M. Geruso  
Assistant Tax Administrator

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