

RI-1040C RHODE ISLAND COMPOSITE INCOME TAX RETURN 2004

Entity Type	Name			
<input type="checkbox"/> Sub S Corporation	Address Line 1			
<input type="checkbox"/> LLC	Address Line 2			
<input type="checkbox"/> Partnership				
<input type="checkbox"/> Trust	City, Town or Post Office	State	Zip Code	Federal Identification Number

SECTION A: COMPUTATION OF INCOME

1. Total Federal Taxable income - From Federal Form 1120S, line 21; Federal Form 1065, line 22 or Federal Form 1041, line 18, plus any separately stated income items listed on K-1.....		1.	
2. MODIFICATIONS INCREASING FEDERAL TAXABLE INCOME			
A. Income from obligations of any state or its political subdivisions, other than RI (attach documentation).....	2A.		
B. Bonus Depreciation and Section 179 Depreciation.....	2B.		
C. Other modifications (attach documentation).....	2C.		
3. Total modifications INCREASING Federal Taxable Income - Add lines 2A, 2B and 2C.....		3.	
4. MODIFICATIONS DECREASING FEDERAL TAXABLE INCOME			
A. Income from obligations of the US government included in federal income but exempt from state income taxes (attach documentation).....	4A.		
B. Bonus Depreciation and Section 179 Depreciation.....	4B.		
C. Other modifications (attach documentation).....	4C.		
5. Total modifications DECREASING Federal Taxable Income - Add lines 4A, 4B and 4C.....		5.	
6. Modified Federal Taxable Income - line 1 plus line 3 less line 5.....		6.	
7. Rhode Island apportionment ratio from page 2, Section C, line 30 (multistate entities only - entities solely in RI enter 1.000).....		7.	. _ _ _ _
8. Rhode Island source income multiply line 6 by line 7.....		8.	

SECTION B: COMPUTATION OF TAX

9. Rhode Island composite income tax rate.....		9.	9.9%
10. RHODE ISLAND INCOME TAX - Multiply line 8 by line 9.....		10.	
11. Rhode Island credits - indicate credit form number(s) _____ attach forms.....		11.	
12. Rhode Island income tax after credits - subtract line 11 from line 10 (not less than zero).....		12.	
13. Qualified electing nonresident members' percent of ownership (if all such members are nonresidents enter 1.0000).....		13.	. _ _ _ _
14. Rhode Island income tax of qualified electing nonresident members - multiply line 12 by line 13.....		14.	
15. Rhode Island estimated payments made on RI 1040C-ES and amount applied from 2003 composite return.....	15.		Check <input checked="" type="checkbox"/> if extension is attached. <input type="checkbox"/>
16. Rhode Island nonresident real estate withholding of qualified electing nonresident members.....	16.		
17. RI nonresident withholding received from pass-through entities from RI 1099-PT - attach form(s).....	17.		
18. Other payments.....	18.		
19. Total payments - Add lines 15, 16, 17 and 18.....		19.	
20. AMOUNT DUE - If line 14 is LARGER than line 19, subtract line 19 from line 14.....		20.	
21. Underestimating interest due. If RI-2210C is prepared check box <input type="checkbox"/> and attach RI-2210C to the return.....		21.	not applicable in 2004
22. TOTAL DUE - Add lines 20 and 21. Complete RI 1040C-V.....		22.	☹
23. OVERPAYMENT - If line 14 is SMALLER than line 19, subtract line 14 from line 19. This is the amount you overpaid.....		23.	☺
24. Amount of overpayment to be refunded.....		24.	
25. Amount of overpayment to be applied to 2005 RI-1040C estimated tax.....	25.		

SECTION C: APPORTIONMENT

2004

AVERAGE NET BOOK VALUE

column A
Rhode Island

column B
everywhere

26. A. Inventory.....	26A.			
B. Depreciable assets.....	26B.			
C. Land.....	26C.			
D. Rent (8 times annual net rental rate).....	26D.			
E. Total- Add lines 26A, 26B, 26C and 26D.....	26E.			
F. Ratio in Rhode Island, line 26E, Column A divided by line 26E, Column B.....			26F.	

RECEIPTS

27. A. Gross receipts.....	27A.			
B. Dividends.....	27B.			
C. Interest.....	27C.			
D. Rents.....	27D.			
E. Royalties.....	27E.			
F. Net capital gains.....	27F.			
G. Ordinary income.....	27G.			
H. Other income.....	27H.			
I. Income exempt from federal taxation.....	27I.			
J. Total Add lines 27A, 27B, 27C, 27D, 27E, 27F, 27G, 27H and 27I.....	27J.			
K. Ratio in Rhode Island, line 27J, column A divided by line 27J, column B.....			27K.	

SALARIES

28. A. Salaries and wages paid or incurred.....	28A.			
B. Ratio in Rhode Island, line 28A, column A divided by line 28A, column B.....			28B.	

RATIO

29. Total of Rhode Island ratios shown on lines 26F, 27K and 28B.....	29.	__ . ____
30. Apportionment Ratio - line 29 divided by the number 3 or the number of ratios used - enter here and on page 1, Section A, line 7.	30.	__ . ____

SECTION D: QUALIFIED ELECTING MEMBER INFORMATION

NAME	ADDRESS	SOCIAL SECURITY NUMBER	RI SOURCE INCOME	RI INCOME TAX

Attach additional schedules, if more space is required.

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct and complete.

Signature

Title

Date

Sign Here ➡

May the division contact your preparer about this return? Yes No

Signature of preparer

SSN, PTIN or EIN

Telephone number

Sign Here ➡

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2004 INSTRUCTIONS FOR FILING RI-1040C

For more information on filing a Composite Return or to obtain forms, refer to Rhode Island Division of Taxation's website : www.tax.ri.gov or call (401) 222-1111

GENERAL INFORMATION

Form RI-1040C is used to report the Rhode Island source income of qualified electing nonresident members of Sub S Corporations, LLCs, Partnerships, and Trusts.

If a pass-through entity is doing business in Rhode Island, or has income, gain, loss, or deduction derived from or connected with sources within Rhode Island, it can file a composite return on behalf of those qualified electing nonresident members. All of the qualified electing nonresident members must have the same taxable year.

In order to be included in the composite filing, the nonresident member must complete a Form RI 1040C-NE and file it with the entity from which they are receiving the Rhode Island source income. The entity must keep all of these election forms on file and be able to furnish them to the Rhode Island Division of Taxation upon request.

DUE DATE: RI 1040-C is due on the fifteenth day of the fourth month following the close of the taxable year of the qualified electing nonresident members. (April 15, 2005 for calendar year taxpayers).

Send return to:

R.I. Division of Taxation
One Capitol Hill
Providence, RI 02908-5806

SPECIFIC INSTRUCTIONS

Please complete the top of the return by filling in the name, address and federal identification number.

SECTION A: COMPUTATION OF INCOME

Line 1 - Enter your total Federal Taxable Income from Federal Form 1120S, line 21; Federal Form 1065, line 22 or Federal Form 1041, line 18, and add to that any separately stated income listed on your K-1.

Line 2 - Modifications Increasing Federal Taxable Income

Line 2A - Enter any income from obligations of any state or its political subdivisions, other than Rhode Island.

Line 2B - Enter Bonus Depreciation and the increased Section 179 Depreciation that must be added back to Rhode Island income.

Due to the passage of a bill disallowing federal bonus depreciation for Rhode Island purposes, any bonus depreciation taken for federal purposes must be added back as a modification to income.

Due to the passage of a bill disallowing the increase in the section 179 depreciation under the Jobs and Growth Tax Relief Reconciliation Act of 2003, section 179 depreciation will remain limited to \$25,000 for Rhode Island purposes. Therefore, any additional section 179 depreciation taken for federal purposes must be added back as a modification to income.

A separate schedule of depreciation must be kept for Rhode Island purposes. The gain or loss on the sale or other disposition of the asset is to be determined, for Rhode Island purposes, using the Rhode Island depreciation schedule.

For further information regarding bonus depreciation or section 179 depreciation refer to the General Instructions of Form RI-1040NR, Rhode Island Nonresident Income Tax return.

Line 2C - Enter any other modifications increasing Federal Taxable Income and provide an explanation for that modification.

Line 3 - Total Modifications Increasing Federal Taxable Income - add lines 2A, 2B and 2C.

Line 4 - Modifications Decreasing Federal Taxable Income

Line 4A - Enter any income from obligations of the United State Government to the extent that it is included in income for federal tax purposes but exempt for state purposes.

Line 4B - Enter Bonus Depreciation and Section 179 Depreciation that has not been taken for federal purposes because the depreciation was not taken originally.

Since a bill was passed disallowing federal bonus depreciation for Rhode Island purposes, in the first year any bonus depreciation taken for federal purposes should have been added back as a modification to income. Therefore, in subsequent years, if federal depreciation is less than what previously would have been allowed, the difference can be deducted as

a modification to income.

Since a bill was passed disallowing the increase in the section 179 depreciation under the Jobs and Growth Tax Relief Reconciliation Act of 2003, section 179 depreciation will remain limited to \$25,000 for Rhode Island purposes. Therefore, in the first year any additional section 179 depreciation taken for federal purposes should have been added back as a modification to income. Accordingly, in subsequent years, if federal depreciation is less than what previously would have been allowed, the difference can be deducted as a modification to income.

A separate schedule of depreciation must be kept for Rhode Island purposes. The gain or loss on the sale or other disposition of the asset is to be determined, for Rhode Island purposes, using the Rhode Island depreciation schedule.

For further information regarding bonus depreciation or section 179 depreciation refer to the General Instructions of Form RI-1040NR, Rhode Island Nonresident Income Tax return.

Line 4C - Enter any other modifications decreasing Federal Taxable Income and provide an explanation for that modification.

Line 5 - Total Modifications Decreasing Federal Taxable Income - add lines 4A, 4B and 4C.

Line 6 - Modified Federal Taxable Income- Add line 1 to line 3 and then subtract line 5. (Line 1 + line3 - line 5)

Line 7 - Rhode Island apportionment ratio: If the entity operates solely in Rhode Island, enter 1.0000. If it is a multistate entity, enter computed ratio from line 30 of apportionment worksheet located on page 2, Section C. (Carry ratio to four decimal places.)

Line 8 - Rhode Island Source Income - multiply your Modified Federal Taxable Income (line 6) by the apportionment ratio (line 7).

SECTION B: COMPUTATION OF TAX

Line 9 - Rhode Island Composite Income Tax rate of 9.9%.

Line 10 - Rhode Island Income Tax - multiply your Rhode Island Source Income (line 8) by the Rhode Island Composite Income Tax rate (line 9).

Line 11 - Enter any Rhode Island credit amounts, indicate the credit form number(s) and attach the credit form(s) to the 1040C.

Line 12 - Rhode Island Tax after credits - subtract Rhode Island credits (line 11) from Rhode Island Income Tax (line 10). If less than zero, enter zero.

Line 13 - Qualified electing nonresident members' percentage of ownership. If all members are nonresidents, enter 1.0000. (Carry ratio to four decimal places.)

Line 14 - Rhode Island Tax of the qualified electing nonresident members - multiply Rhode Island Tax after Credits (line 12) by the qualified electing nonresident members' percentage of ownership (line 13).

Line 15 - Rhode Island estimated payments made on RI 1040C-ES and amount applied from 2003 composite return.

Line 16 - Enter any nonresident real estate withholding paid on behalf of the qualified electing nonresident members.

Line 17 - Enter any Rhode Island nonresident withholding from pass-through entities from Form RI 1099-PT, box 8 that was made on behalf of entity members before electing to be included on the composite return. Be sure to attach the Form(s) RI 1099-PT to the composite filing.

Line 18 - Enter any other payments. If an extension was filed, enter the amount paid with the extension, attach the extension form, Form RI-4868C, to your return and check the box indicating that the extension is attached.

Line 19 - Total all payments. Add lines 15, 16, 17 and 18.

Line 20 - Amount due - If line 14 is larger than line 19, subtract line 19 from line 14. This is the amount of tax you owe.

Line 21 - Underestimating interest due. If you have prepared the RI-2210C, check the box on line 21 and attach the RI-2210C to the return. **(Not applicable for 2004 tax year.)**

Line 22 - Total amount due - add tax due (line 20) plus the underestimating interest due (line 21). This is the total amount due. Complete payment voucher RI

1040C-V and send in with return and payment made to R.I. Division of Taxation.

Line 23 - Overpayment - If line 14 is smaller than line 19, subtract line 14 from line 19. This is the amount you have overpaid.

Line 24 - Enter the amount of the overpayment (line 23) that you would like refunded.

Line 25 - Enter the amount of the overpayment (line 23) that you would like applied to your 2005 RI-1040C estimated tax.

SECTION C: APPORTIONMENT

In the apportionment section, you will be using a three factor formula to determine the Rhode Island apportionment ratio for the qualified electing nonresident members.

In column A, you will be entering the Rhode Island portion of each item. In column B you will be entering the Total (from everywhere) amount of each item.

Average Net Book Value

Line 26A - Enter the Rhode Island and the Total amounts for **Inventory**.

Line 26B - Enter the Rhode Island and the Total amounts for **Depreciable Assets**.

Line 26C - Enter the Rhode Island and the Total amounts for **Land**.

Line 26D - Enter the Rhode Island and the Total amounts for **Rent** (8 times the annual net rental rate).

Line 26E - Total the Net Book Value items - Add lines 26A, 26B, 26C and 26D.

Line 26F - Average Rhode Island Net Book Value Ratio - divide line 26E in column A by line 26E in column B (carry to four decimal places).

Receipts

Line 27A - Enter the Rhode Island and the Total amounts for **Gross Receipts**.

Line 27B - Enter the Rhode Island and the Total amounts for **Dividends**.

Line 27C - Enter the Rhode Island and the Total amounts for **Interest**.

Line 27D - Enter the Rhode Island and the Total amounts for **Rents**.

Line 27E - Enter the Rhode Island and the

Total amounts for **Royalties**.

Line 27F - Enter the Rhode Island and the Total amounts for **Net Capital Gains**.

Line 27G - Enter the Rhode Island and the Total amounts for **Ordinary Income**.

Line 27H - Enter the Rhode Island and the Total amounts for **Other Income**.

Line 27I - Enter the Rhode Island and the Total amounts for **Income Exempt from Federal Taxation**.

Line 27J - Total the Receipts items - Add lines 27A, 27B, 27C, 27D, 27E, 27F, 27G, 27H and 27I.

Line 27K - Average Rhode Island Receipts Ratio - divide line 27J in column A by line 27J in column B. (Carry to four decimal places).

Salaries

Line 28A - Enter the Rhode Island and the Total amounts for Salaries and Wages paid or incurred.

Line 28B - Average Rhode Island Salaries Ratio - divide line 28A in column A by line 28A in column B. (Carry to four decimal places).

Rhode Island Apportionment Ratio

Line 29 - Total the three ratios by adding lines 26F, 27K and 28B.

Line 30 - Apportionment Ratio: If all three ratio factors were used, divide line 29 by the number 3. If all three ratio factors were not used, divide line 29 by the number of ratios used. (Carry to four decimal places). Enter the number here on line 30 and on page 1, Section A, line 7.

SECTION D: MEMBER INFORMATION

Enter the names, addresses, social security numbers, the amount of Rhode Island source income and the amount of Rhode Island tax for each qualified electing nonresident member.

If more space is needed, attach additional schedules to the return.

SIGN AND DATE THE RETURN

An officer representing the pass-through entity must sign and date the return. An unsigned return cannot be processed. Any paid preparer who prepares the return must also sign as "preparer." If you wish to allow the R.I. Division of Taxation to contact your paid preparer should questions arise regarding your return, please check the box above your preparer's name.