

# RHODE ISLAND TAX NEWS

A NEWSLETTER FOR TAX PROFESSIONALS

APRIL/MAY/JUNE 2021

## PERSONAL INCOME TAX DUE TONIGHT

The Rhode Island Division of Taxation reminds tax preparers and taxpayers that the deadline for filing Rhode Island personal income tax returns and making associated payments has been postponed to today -- May 17, 2021.

The deadline normally

would fall on April 15, 2021.

However, due to the coronavirus (COVID-19) pandemic, the Division of Taxation has determined that the deadline for filing Rhode Island resident and nonresident personal income tax returns and pay-

ments related to the 2020 tax year is today -- Monday, May 17, 2021.

Earlier this season, the United States Treasury and Internal Revenue Service moved the April 15 deadline to May 17 for federal filings and payments by individuals relating to the 2020 tax year.

The Division has followed suit. Thus, the deadline for filing returns and making payments will be the same for Rhode Island personal income tax purposes as it is for federal personal income tax purposes, a convenience for taxpayers and tax preparers.

*(Please turn to page 2)*



## DID YOU KNOW?

Since the start of the coronavirus (COVID-19) pandemic, the Rhode Island Division of Taxation not only has remained open, offering its full suite of services, but has also established some key changes for the benefit and convenience

of taxpayers, tax preparers, and other stakeholders.

### **Electronic signatures**

Normally, the Division requires the submission of forms with their original, handwritten signatures.

However, due to the pandemic, the Division last year amended its standard practice as a convenience for taxpayers and their representatives.

*(Please turn to page 3)*

## REMINDER

*Rhode Island's temporary disability insurance (TDI) program has a refund feature for those who paid too much in TDI taxes last year.*

*For more information, please turn to page 8*

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## PERSONAL INCOME TAX DEADLINE IS TODAY (CONTINUED FROM PAGE 1)

The relief provided approximately one additional month to file returns and pay balances due. No penalties and no interest will apply -- regardless of the amount due -- to those who file and pay by the end of the day today, May 17, 2021.

### Automatic postponement

No additional steps need be taken by taxpayers or tax preparers; the Division is in the process of adjusting its systems accordingly.

"We recognize the many challenges that Rhode Islanders have faced, and continue to face, amid the global pandemic," said Rhode Island Tax Administrator Neena Savage.

"By aligning our deadline with the federal deadline, we hope to provide a convenience for taxpayers, tax preparers, and others as a measure of relief during these trying times," she said.

The new deadline of May 17, 2021, applies not only to Rhode Island resident and nonresident personal income tax returns (Form RI-1040 and Form RI-1040NR), but also to claims for the property-tax relief on Form RI-1040H, claims for the residential lead abatement credit on Form RI-6238, and the extension on Form RI-4868.

A table of due dates appears at the top of this page. The table shows all of the returns whose deadlines have been

### Today is due date for these Rhode Island filings and related payments

FILING	FORM	NEW DUE DATE
Personal income tax annual return – resident	Form RI-1040	May 17, 2021
Personal income tax return – nonresident/PY	Form RI-1040NR	May 17, 2021
Personal income tax – extension form	Form RI-4868	May 17, 2021
Property tax relief credit	Form RI-1040H	May 17, 2021
Residential lead abatement credit	Form RI-6238	May 17, 2021

postponed automatically to today, May 17, 2021.

The new due date of May 17, 2021, applies only to those items listed in the table.

All other filings and payments that were normally due on or before April 15, 2021, continued to be due on or before April 15 this season. Following are some examples:

- ◇ Fiduciary returns on Form RI-1041 and associated payments for the 2020 tax year were still due April 15, 2021.
- ◇ Form RI-1065 and associated payments for a single-member LLC owned by an individual were still due April 15.
- ◇ First-quarter payments of estimated personal income tax for the 2021 tax year were still due on or before April 15, 2021.

*Note: The deadline relief described on this page and listed in*

*the table above does not apply to filings or payments of any other type of Rhode Island tax or return. Also, the new deadline of May 17 does not change any statute of limitations period.*

### Filing season tips

Last-minute filers: The Rhode Island Division of Taxation posted a special edition of its newsletter earlier this year, focusing on the 2021 filing season.

If you haven't filed your resident or nonresident Rhode Island personal income tax return yet, or if you plan to file on extension, the special edition has tips and other guidance.

To view the newsletter, use this link:

<https://go.usa.gov/xsn9V>

*Note: The filing-season newsletter does not reflect any changes in Rhode Island tax law that may be made by the General Assembly this session.*



### E-file reminder

The Rhode Island Division of Taxation this year accepts the following returns under its electronic filing program (e-file):

- ◆ Form RI-1040
- ◆ Form RI-1040NR
- ◆ Form RI-1120C
- ◆ Form RI-1120S
- ◆ Form RI-1065
- ◆ Form RI-1041

## DID YOU KNOW? (CONTINUED FROM PAGE 1)

Thus, on September 10, 2020, the Division officially announced that it would accept electronic signatures for two forms, both of which involve the sale of Rhode Island real estate by nonresident individuals or entities.

On March 17, 2021, the Division expanded the program by accepting electronic signatures for five more forms, all of which are business-related. They include:

- ◇ Form T-71, for insurance companies;
- ◇ Form T-71A, for surplus lines insurance brokers and licensees;
- ◇ Form T-72, for utilities (public service corporation gross earnings tax returns);
- ◇ Form T-74, for bank excise tax returns; and
- ◇ Form T-86, for the bank deposits tax.

The links in the nearby table are to the forms that contain a built-in option for electronic signatures.

Just download the applicable form, reopen it, and follow the instructions. (Note: In some cases, certain computer software programs may be needed to take full advantage of the built-in option.)

The Division is allowing electronic signatures for limited documents, as described above, under the

### Electronic signature program - participating forms

FORM	DESCRIPTION
<a href="#">Form RI-71.3 Election</a>	“Election to Have Withholding Based on Gain”
<a href="#">Form RI-71.3 Remittance</a>	“Remittance of Withholding on Sale of Real Estate by Nonresident”
<a href="#">Form T-71</a>	“Insurance Companies Tax Return of Gross Premiums”
<a href="#">Form T-71A</a>	“Surplus Line Broker Return of Gross Premiums”
<a href="#">Form T-72</a>	“Public Service Corporation Gross Earnings Tax Return”
<a href="#">Form T-74</a>	“Banking Institution Excise Tax Return”
<a href="#">Form T-86</a>	“Bank Deposits Tax”

For more information, please see: <https://go.usa.gov/xHQwD> and <https://go.usa.gov/xHQwW>.

authority of Rhode Island General Laws Chapter § 42-127.1 (“Uniform Electronic Transactions Act”).

“We realize that many individuals and businesses continue to face difficulties at this challenging time and we want to make it as convenient as possible for them to meet their obligations,” said Tax Administrator Neena Savage.

### Grants for businesses

Amid all the challenges of the pandemic, you may not have noticed that the Rhode Island Division of Taxation issued a total of \$45.4 million to more than 3,000 businesses under two grant programs that provided relief for certain busi-

nesses suffering losses due to pandemic restrictions.

The first grant program was associated with business operating restrictions and was announced on November 5, 2020. It was aimed at certain bars and restaurants directly impacted by a State-mandated early closure.

Grants ranged from \$2,000 to \$10,000. Applications were due December 15, 2020.

In total, the Division issued \$3.6 million in grants to 855 recipients under this program.

The second program was associated with business operating restrictions under the “Rhode Island on Pause” initiative and was announced on November 25, 2020.

It was aimed at specified businesses directly impacted by the

restrictions and the coronavirus pandemic.

Grants ranged from \$750 to \$75,000. Applications were due December 14, 2020.

In total, the Division issued \$41.8 million in grants to 2,203 recipients under this program.

The Division posted a report on its website providing full details of each of the grant programs:

<https://go.usa.gov/xHQvJ>

In addition, the Division posted on its website a list of all recipients - and the amount each received. For more information:

<https://go.usa.gov/xHQvS>

## RHODE ISLAND FREE FILE PROGRAM STILL AVAILABLE

Through the Rhode Island Free File program, you get to keep your entire refund by preparing your taxes with easy-to-use, name-brand tax software. Check the website’s listing of offers to see the ones for which you might be eligible.

“Many taxpayers are eligible to prepare and e-file their federal and Rhode Island personal income tax returns at no charge through the Division of Taxation’s website,” said Rhode Island Tax Administrator Neena Savage.

“Free File online products offer free federal and Rhode Island tax return preparation, free e-filing, and free direct deposit of refunds to ensure that you get your money faster,” she said.

“We encourage do-it-yourself taxpayers to visit our website and check to see if they’re eligible for any of the Free File offers,” she said.

The Free File offers will be available through October 2021 for returns that cover the 2020 tax year.



The Free File offers are not produced or endorsed by the Rhode Island Division of Taxation. Rather, they are produced by private-sector companies that have agreed to provide free online tax preparation and e-filing services to those who qualify (based on income and/or other criteria).

Do-it-yourself taxpayers who want to take advantage of the program should carefully read details of each offer before starting the tax-filing process.

Rhode Island is one of many states nationwide offering the Free File program to taxpayers. The free service is made possible from Free File, which is a

partnership between the Internal Revenue Service, the Rhode Island Division of Taxation, a number of other states, and the Free File Alliance.

Access the Rhode Island Free File program by using the following link:

<http://www.tax.ri.gov/misc/efile.php>

Scan to learn more:



### Volunteer preparers

Some volunteers are still preparing federal and Rhode Island personal income tax returns at no charge for eligible taxpayers, despite the coronavirus (COVID-19) pandemic.

For more information, dial 211, or see:

<https://go.usa.gov/xHYT2>

Filing on extension? See the following:

<https://go.usa.gov/xHeGP>



## COVENIENT WAYS TO PAY YOUR TAXES

Just as you can file your tax returns electronically, you can also make tax payments electronically. Following is a summary of some payment methods.

### ✓ SOFTWARE

If you use tax-preparation software, or your tax preparer does, the software may offer the option to authorize the Division to withdraw the required amount directly from your bank or credit union account. If so, please schedule the withdrawal, or “direct debit”, several business days in advance of the deadline, to avoid any possible delays.

### ✓ PORTAL

Individuals, businesses, tax professionals, and others may use the Division of Taxation’s taxpayer portal to make online payments. (See screenshot on this page.) Payments for nearly all Rhode Island state taxes – including individual and business taxes – can be made via the portal: <https://taxportal.ri.gov/>.

To gain access to the taxpayer portal as a first-time user, you must first obtain a PIN. If you are interested in using the taxpayer portal and obtaining a PIN, please contact the Division by phone at (401) 574-8484 or

by email:

[taxportal@tax.ri.gov](mailto:taxportal@tax.ri.gov).

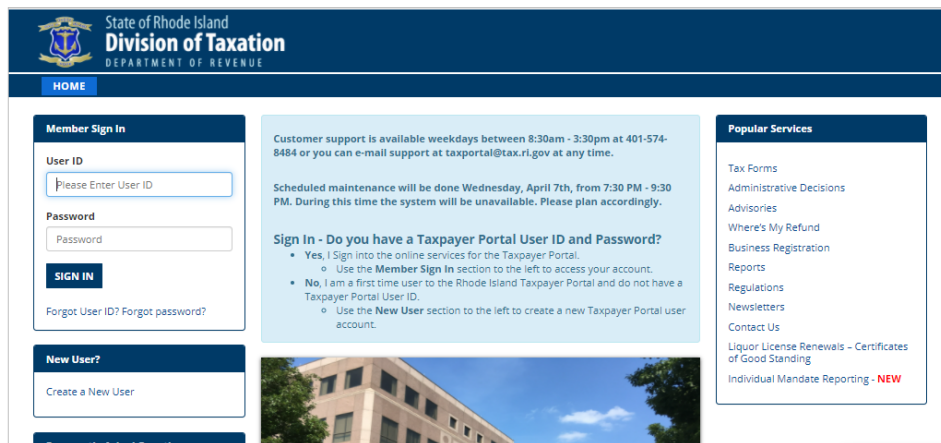
Once you have your PIN, go to the portal’s home page and click on the “Create a New User” link in order to create a new user account and register as a user. To go directly to the “Create a New User” section, use this link:

<https://go.usa.gov/xsDd9>.

As part of the registration process, you’ll use your PIN to link your portal account with the Division. To view the taxpayer portal’s user guide:

<https://go.usa.gov/xsDd5>.

If you have questions about the taxpayer portal, contact the Division at (401) 574-8484 or email: [taxportal@tax.ri.gov](mailto:taxportal@tax.ri.gov).



### ✓ BILL PAY

Your bank or credit union may let you use its online “bill pay” feature, which generates a check that your bank or credit union mails to the Division of Taxation. If you use “bill pay”, include as much information as possible -- and complete the transaction several business days in advance of the deadline -- so that the amount can be promptly and properly credited to your account. That way, you can avoid incurring late charges. Also make sure that the payment goes to the following address, not to a post office box: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908.

### ✓ DEBIT CARD

You can pay your balance due by using a debit card or credit card. A third-party provider charges a fee for the service. For more information, use the

following link:

<https://go.usa.gov/xHeGf>

### ✓ CHECK

If you plan to pay by check, please be sure that your check is accompanied by a payment voucher. That way, your payment will be properly and promptly credited to your account. If you use tax preparation software, or your preparer does, you may use the voucher provided by the software program. Or use the Division’s voucher. Vouchers, forms, instructions, and other documents are available via the following link: <http://www.tax.ri.gov/taxforms/>.

*Can't pay right now? To learn about your options, please see the next page.*

## WHAT IF YOU CAN'T PAY YOUR TAXES?

What if you can't pay what you owe? The Rhode Island Division of Taxation has options available for you.

As a first step, make sure to file your Rhode Island tax return by its due date. That way, you avoid failure-to-file penalties.

If you can't fully pay your Rhode Island state taxes, you can apply for an installment agreement, allowing you to pay what you owe in installments over time.

The form for requesting an installment agreement, along with instructions and other information, is available through the following link:

<http://www.tax.ri.gov/taxforms/misc.php>

If you already have an installment agreement but you're unable to make your monthly installment, please contact the Division by email: [Tax.Collections@tax.ri.gov](mailto:Tax.Collections@tax.ri.gov) or by phone: (401) 574-8650.

### Penalty relief

Taxpayers have the right, under Regulation 280-RICR-20-00-4 ("Taxpayer Rights and Responsibilities"), to request that penalties be abated where there was no negligence or intentional disregard of the law. For taxpayers seeking penalty relief as a result of the coronavirus, the Division has



developed a COVID-19 penalty-waiver request form. It can be completed and filed once the taxpayer receives a Notice of Assessment in the mail from the Division. COVID-19 penalty-waiver requests should be for the periods beginning on or after January 1, 2020, and must include a reason for the waiver request. (Please note: Tax and interest must be paid prior to a penalty-waiver request.)

Download the penalty-waiver request form from the table on the Division's COVID-19 webpage: <http://www.tax.ri.gov/COVID/>.

If you are in serious financial circumstances, you may

wish to explore making an offer in compromise (OIC). In general, an OIC lets you settle your tax debt for less than the full amount you owe.

Filing an OIC may be a legitimate option if you can't pay your full tax liability -- or if paying your full tax liability would create a major financial hardship.

The Division generally approves an OIC only when the amount offered represents the most that the Division can expect to collect within a reasonable period of time.

Filing an OIC is a serious step and is not for everyone. Consider consulting a tax professional first. Also see the Division's form: <http://www.tax.ri.gov/taxforms/>

[misc.php](http://www.tax.ri.gov/taxforms/misc.php)

If you believe you need additional relief during the coronavirus (COVID-19) pandemic, help is available from the Division of Taxation.

You may email the Division's Compliance & Collections Section: [tax.collections@tax.ri.gov](mailto:tax.collections@tax.ri.gov), or call (401) 574-8650 between 8:30 a.m. and 3:30 p.m. business days.

## CHECK THE STATUS OF YOUR RHODE ISLAND REFUND

If you are owed a Rhode Island personal income tax refund, you can check the status of your refund by using the [“Where’s my tax refund?” interactive tool](#) on the Rhode Island Division of Taxation’s website.

Enter the required information as shown on the screen -- including your Social Security number, filing status (whether you file your return as “married” or “single”, for example), and the amount of your expected refund. Assuming that all data has been correctly entered, the tool should offer a prompt response to your query.

The Division updates the online tool almost every business day during filing season.



What if your refund is not available? The tool has a number of separate messages to give taxpayers and tax preparers a better idea of any issue that may be delaying the processing of the return and any associated refund. The “Where’s my tax refund?” tool can be accessed directly through this link:

<https://www.ri.gov/taxation/refund/>

You may also access the site using the QR code on this page.

To go directly to the Division’s tax refund status page, scan here:



## GOVERNOR VISITS DIVISION OF TAXATION



PHOTO COURTESY OF GOVERNOR'S OFFICE

**Governor’s Visit:** Rhode Island Governor Daniel J. McKee (second from left) visited the Rhode Island Division of Taxation on March 26, 2021, as part of his tour of the Powers Building (Department of Administration building). McKee served as lieutenant governor before he was recently sworn in as governor to replace Gina M. Raimondo, who became United States Commerce Secretary. Accompanying him on his visit were (from left) Michael Canole, assistant tax administrator; Neena Savage, tax administrator; Daniel Clemence, chief of operations; and Rahul Sarathy, chief of examinations.

## FILING FOR REFUND OF RHODE ISLAND TDI TAX

If you worked for a single employer last year, chances are that the employer withheld the proper amount in Rhode Island temporary disability insurance (TDI) tax.

But if you worked for two or more employers last year – at the same time, or in succession – you may have overpaid in TDI tax.

That’s because there’s no way for one employer to know how much in TDI tax the other employer withheld.

So check for yourself: If you paid more than the maximum of \$939.90 in TDI tax last year (calendar year 2020), you paid too much and should therefore file for a refund.

Although the TDI program is generally overseen by the Rhode Island Department of Labor and Training, TDI taxes – and refunds – are handled by the Rhode Island Division of Taxation.

To claim your refund, use Form TX-16, “Claim for Refund of Temporary Disability Insurance Tax” (see screenshot nearby). Instructions are on the form:

<http://www.uitax.ri.gov/docs/TX-Forms/2021/TX-16-2021.pdf>

Following are some points to keep in mind as you complete the form:

♦ TDI applies to each person, individually. So if you’re married and trying to figure out if you’re owed a TDI tax refund, count only the TDI tax

that you yourself paid. Your spouse will have to do a separate calculation.

♦ If you’re married, each spouse must file a separate form for a TDI tax refund. (Remember: TDI applies to each person, individually.)

♦ Claims for TDI tax refunds can be filed only on paper, not electronically. The mailing address is in the instructions. (TDI tax refunds are issued only by check, not electronically.)

♦ For each employer you list on the claim form, you must attach a copy of the Form W-2 wage statement you received from that employer.

♦ You may request TDI refunds only for 2018, 2019, and 2020. You must use a separate Form TX-16 for each year for which you claim a refund.

♦ For more information on TDI refunds, call (401) 574-8700 (choose option # 2) from 8:30 a.m. to 3:30 p.m. business days. (The “Where’s My Refund?” online tool is only for per-

sonal income tax refunds, not for TDI refunds.)

♦ The TDI refund will be based on the amount of wages in excess of the taxable wage base. Those wage bases are as follows: \$69,300 for 2018, \$71,000 for 2019, and \$72,300 for 2020.

Don’t expect to receive your TDI refund immediately after you file for it. There are reasons it could be delayed.

For example, TDI refunds for 2020 can’t be processed until the Division has received and processed employers’ tax and wage reports for late 2020.

It can take until late April, depending on the year, to start processing all those employer reports. Depending on when you file your claim for a refund, it could take up to 12 weeks until you receive your refund check.

For more information, see <http://www.uitax.ri.gov/> or call (401) 574-8700 and choose option 2.

TX-16 (Rev 2/17/21)

**STATE OF RHODE ISLAND**  
**DIVISION OF TAXATION - EMPLOYER TAX SECTION**  
1 Capitol Hill - Suite 36  
Providence, Rhode Island 02908  
(401) 574-8700 (Option 2) or [WWW.UITAX.RI.GOV](http://WWW.UITAX.RI.GOV)

**CLAIM FOR REFUND OF TEMPORARY DISABILITY INSURANCE TAX**

**IMPORTANT - Please read instructions before completing**

1. Enter your Name, Social Security Number, and Address.

<small>YOUR NAME (First, Middle Initial and Last)</small>	<small>SOCIAL SECURITY NUMBER</small>
	.   .   .
<small>NO. AND STREET</small>	



### Tax tip line

If you have information about wrongdoing involving state taxes, call the tax fraud tip line at (401) 574-TIPS or (401) 574- 8477 and leave a message. The line is staffed by the Rhode Island Division of Taxation’s Special Investigation Unit, which follows up on all tips. Callers can leave their names and contact information or remain anonymous. Or [leave your tip online](#).



**Practitioners' Corner****QUESTIONS AND ANSWERS ABOUT STATE TAXES**

**Q: In the case of a single-member limited liability company (SMLLC) that's owned by an individual, is the due date for the SMLLC also postponed to May 17?**

No, it is not. Assuming that the SMLLC's is owned by an individual, the SMLLC's Form RI-

1065 and payment were still due April 15, 2021. The owner's return is due May 17, 2021.

**Q: I think my client qualifies for an exemption from Rhode Island's health insurance mandate. Where can I find out more about the exemptions, including the COVID-19 exemption?**

We recently posted a special edition of our newsletter, focusing on this filing season. That edition includes a multi-page article about the health insurance mandate, beginning on page 5. Use the following link:

<https://go.usa.gov/xHCgf>

The article includes links to our helpful forms and instructions about the mandate.

(Note: That edition of the newsletter was posted before

the Division postponed the personal income tax filing deadline to May 17, 2021.)

Also, be sure to see a "tips for tax season" Advisory that we posted in February 2021. It provides tips on filling out your return when it comes to the man-

date. Use this link:

<https://go.usa.gov/xHC44>

Also, see the HealthSource RI website:

<https://tinyurl.com/mp8aweca>

To view HealthSource RI's application involving hardship exemptions:

<https://tinyurl.com/sm6xbyv6>

**Q: I have a client that needs to file for a lot of years. Long story. Just wondering if we can file her 2018 return electronically, or if that has to be on paper?**

When it comes to e-filing for Rhode Island personal income tax returns, we accept only current-year returns.

Therefore, during the 2021 calendar year, we will accept for e-file only Rhode Island resident and nonresident personal income tax returns for the 2020 tax year.

**Q: My client withdrew money from a retirement plan last year amid the coronavirus (COVID-19) pandemic. The client and her withdrawal ("distribution") meet the requirements of a coronavirus-related distribution for federal tax purposes, which is being reported this season on U.S. Form 8915-E. One advantage is that she can spread the income out ratably over three years for federal tax purposes, starting with the 2020 tax year. Does Rhode Island accept such tax treatment for the 2020 tax year, or must the deferred income be added back for Rhode Island tax purposes for the 2020 tax year?**

Assuming that your client and her distribution meet the requirements of a coronavirus-related distribution for federal tax purposes, she includes one-third of the distribution in income for federal tax purposes for 2020, and defers the rest, that tax treatment will be allowed for Rhode Island tax purposes, too, based on current Rhode Island law.

*(Please turn to next page)*



### About 'Practitioners' Corner'

*The "Practitioners' Corner" feature provides general answers to some of the questions that the Tax Division encounters through the normal course of business.*

*The answers are intended solely to provide general information. They do not represent formal guidance, and are not substitutes for Rhode Island General Laws, Tax Division regulations, or Tax Division rulings.*

**Practitioners' Corner****QUESTIONS AND ANSWERS ABOUT STATE TAXES** (CONTINUED FROM PREVIOUS PAGE)

However, keep in mind that the legislative branch of government makes the law; the Division, as part of the executive branch, implements the law. The Rhode Island General Assembly has begun its 2021 session. Whether the General Assembly will make any changes to Rhode Island tax law -- on this or any other matter -- is up to the General Assembly.

Each year, the General Assembly decides which laws to keep and which to change, so be sure to keep up with legislative developments each year.

Also note that this Q&A includes only a plain-language summary of federal tax law with regard to coronavirus-related distributions.

In other words, that is a federal matter, not a Rhode Island matter, so be sure to check federal sources to determine the proper federal tax treatment. Here's a link to one such source of federal information on this topic:

<https://go.usa.gov/xHrk8>

**Q: A client accidentally over-remitted meals and beverage tax during 2020 for multiple locations. How can this be corrected?**

Returns must be amended

and a claim for refund must be submitted for review.

File your amendment using this form:

<https://go.usa.gov/xAwEm>

To file your refund claim:

<https://go.usa.gov/xAwEy>

**Q: Next filing season (2022), if the subchapter S corporation has elected to pay the PTE tax, and the subchapter S corporation is filing for an extension for the corporate return, does that give the taxpayer an extension to file the PTE tax return, too? I am not aware of a separate form to file a PTE extension.**

You're talking about two separate filings.

1) The subchapter S corporation should pay its tax/filing charge by the usual due date. If the S corporation seeks an extension of time to file its annual return on Form RI-1120S, the S corporation should file for an extension using Form RI-7004. Remember: It's an extension of the time to file, not of the time to pay; the S corporation still must pay the annual \$400 filing charge by its original due date.)

2) The pass-through entity

election has its own requirements, including Form RI-PTE ("Pass-through Entity Election Tax Return"). For an extension, the pass-through entity must file Form BUS-EXT ("Business Tax Automatic Extension Request"), check the box on that extension request next to the words "Form RI-PTE - Pass-Through Entity Election", and pay any additional tax that may be due.

Please note: The Division has a special page for forms involving the pass-through entity election:

[http://www.tax.ri.gov/taxforms/pte\\_election.php](http://www.tax.ri.gov/taxforms/pte_election.php)

**Q: I plan to make a cash gift to my friend. What are the Rhode Island tax implications?**

Rhode Island does not have a gift tax, so there are no Rhode Island gift tax implications. For information about the federal gift tax:

<https://go.usa.gov/xHr8x>



### Unemployment benefits and taxes

The Division of Taxation recently issued guidance about how to treat unemployment compensation (unemployment benefits) for Rhode Island personal income tax purposes.

To learn more see: <https://go.usa.gov/xHeM3>

and: <https://go.usa.gov/xHeMY>

*Note: The guidance is based on the law that was in effect at the time the guidance was issued. Be sure to keep up with developments at the General Assembly for any changes in law.*

~ A MESSAGE FOR TAXPAYERS ~



# HEALTH INSURANCE MANDATE

Special  
Notice

*A message for taxpayers from the  
Rhode Island Division of Taxation*

Rhode Island's mandate involving health-care coverage was part of the [fiscal year 2020 budget bill](#) enacted on July 5, 2019.

- ◆ The mandate to have sufficient health-care coverage (also known as “minimum essential coverage”) took effect January 1, 2020.
- ◆ If you fail to have sufficient health-care coverage or qualify for an exemption, you will have to pay a penalty on your Rhode Island personal income tax return.
- ◆ Most people have minimum essential coverage (through employer-sponsored health insurance, Medicaid, Medicare, TRICARE, or some other means) and will not have to pay the penalty.
- ◆ Don't have health insurance? Contact Rhode Island's health insurance exchange, HealthSource RI, at 1-855-840-4774, or online: <https://healthsourceri.com/>



As of January 1, 2020, Rhode Island requires its residents to maintain health-care coverage.

Rhode Island law requires you and your family to have minimum essential health-care coverage, unless you qualify for an exemption.

Failure to have sufficient health coverage or qualify for an exemption will result in a “shared responsibility payment” (in other words, a penalty) when you file your Rhode Island personal income tax return.

- ◆ Need Health Coverage? You may be eligible to sign up via a special enrollment period (SEP). See [www.healthsourceri.com/mandate](http://www.healthsourceri.com/mandate) for more information or call 1-855-840-HSRI. Eligible low-income families can enroll in Medicaid at any time.
- ◆ Note: If you are not required to file a 2020 Rhode Island personal income tax return, you will be exempt from the mandate for that year. The new Rhode Island law is similar to the federal health insurance mandate in effect on December 15, 2017, prior to enactment of the federal Tax Cuts and Jobs Act.





## Rhode Island Department of Revenue Division of Taxation

### NEWSLETTER POLICY

*Rhode Island Tax News* is a newsletter from the Rhode Island Department of Revenue's Division of Taxation. It is typically published each quarter. Its purpose is to provide taxpayers and tax professionals with general information regarding Rhode Island tax laws, regulations, and rulings, and procedures. It is neither designed nor intended to address complex issues in detail. Nothing contained in this newsletter in any way alters or otherwise changes any provisions of the Rhode Island General Laws, regulations of the Tax Division, or formal rulings. The Tax Division is at One Capitol Hill, Providence, RI 02908. Its website is [www.tax.ri.gov](http://www.tax.ri.gov).

### HOW TO SUBSCRIBE

*Rhode Island Tax News* is distributed free, by e-mail, to those who have joined our listserv. If you are not on our listserv but would like to join, send an email to [Neil.Downing@tax.ri.gov](mailto:Neil.Downing@tax.ri.gov) with the word SUBSCRIBE in uppercase in the subject block.

### COMMENTS AND SUGGESTIONS

Unless otherwise indicated, all articles and photos in this issue are by the newsletter's editor, Neil Downing. If you have comments or suggestions for *Rhode Island Tax News*, please email: [Neil.Downing@tax.ri.gov](mailto:Neil.Downing@tax.ri.gov)

### BACK ISSUES

*Rhode Island Tax News* back issues are on the Tax Division website: [www.tax.ri.gov](http://www.tax.ri.gov)

#### How to contact us

Taxpayers may contact the Division of Taxation online, by phone, by letter, or in person. (Hours of operation are typically 8:30 a.m. to 3:30 p.m. business days.)

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