

2023 Rhode Island Business Tax

GENERAL INSTRUCTIONS FOR FORMS T-71A, T-71SP, T-72 AND T-86

ELECTRONIC MANDATE

The RI Division of Taxation has an electronic mandate that requires Larger Business Registrants use electronic means to file returns and remit taxes beginning on January 1, 2023.

A "larger business registrant" is defined as any person who:

- 1) Operates as a business whose combined annual liability for all taxes administered by the Division of Taxation for the entity is or exceeds \$5,000; or
- 2) Operated as a business whose annual gross income is over \$100,000 for the entity.

If you meet either of the above criteria you are required to file returns and remit taxes electronically.

Visit the RI Division of Taxation's website for additional information.

Taxation website: <https://tax.ri.gov/online-services/tax-portal>

Taxation's portal website: <https://taxportal.ri.gov/>

In order to file your return and/or remit your payment through the portal, you will need a portal account and a PIN number. If you do not have both of those required items already, be sure to timely create your portal account and/or request a PIN number so that you are set up and ready to file your return and/or remit payment by the due date. You do not need a portal account to request a PIN number.

YOU MAY BE SUBJECT TO A PENALTY FOR FAILURE TO FILE RETURNS AND/OR REMIT PAYMENTS VIA ELECTRONIC MEANS.

If you are not required to file and pay via electronic means, use the following address to send in your return and payments:

Rhode Island Division of Taxation
One Capitol Hill, Suite 9
Providence, RI 02908-5811

A return is considered timely filed if it is mailed so as to bear a U.S. postmark on or before the applicable due date.

When the due date for filing Form T-71A, T-71SP, T-72 or T-86 falls on a Saturday, Sunday, or a Rhode Island legal holiday, the filing is due on the next business day.

PAYMENT OF TAX

The balance of tax shown on the return to be due must be paid in full with the return. Failure to pay the tax on time will subject the taxpayer to an assessment of interest and penalties.

Interest Generally

Any tax not paid when due is subject to interest from the time the tax

was originally due at the rate of 12% per annum (1.0% per month) on or after January 1, 2023.

Penalties - Failure to file returns on time

In case of failure to file a return within the time prescribed by law, or within the extension period, there shall be added to the tax 5% of such tax if delinquency is for not more than one month plus an additional 5% for each additional month or fractional part thereof during which such failure continues not exceeding 25% in the aggregate.

The law provides for the imposition of fines up to \$5,000.00 for failure to file the required returns or the filing of false or fraudulent returns.

Penalties - Failure to pay tax on time

In case of failure to pay the tax with the return on or before the date prescribed (determined with regard to any extension of time for payment) there shall be added to the amount shown as tax on such return five-tenths percent (0.5%) of the amount of such tax if the failure is for not more than one month, plus an additional five-tenths percent (0.5%) for each additional month or fractional part thereof during which such failure continues, not exceeding 25% in the aggregate.

DECLARATION OF ESTIMATED TAX

Every corporation shall file a declaration of its estimated tax for the taxable year if its estimated tax for such taxable year can reasonably be expected to exceed \$400.00. The entire amount of such estimated tax shall constitute the amount of the advance required to be paid. The due dates and amounts of the installments are as follows: The 15th day of the 4th month of the taxable year (25%), the 15th day of the 6th month of the taxable year (25%), the 15th day of the 9th month of the taxable year (25%) and the 15th day of the 12th month of the taxable year (25%)

Underpayment-Interest on declaration of estimated tax

In case of any underpayment of the estimate by a corporation there shall be added to the tax as the case may be for the taxable year, an amount determined at the rate of 12% per annum upon the amount of the underpayment for the period of the underpayment. "The amount of the underpayment" shall be the excess of the installment or installments which would be required to be paid if the advance payments were equal to eighty percent (80%) of the tax shown on the return for the taxable year or, if no return was filed eighty percent (80%) of the tax for such year, over the amount, if any, of the installment paid on or before the last date prescribed for payment.