



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

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Advisory: Sales tax filing and reconciliation

In response to a number of requests from retailers and their advisers, the Rhode Island Division of Taxation is issuing the following advisory about sales and use tax filing obligations for January 2012. The advisory also includes answers to frequently asked questions.

Payments and returns

There is no change to the schedule for making sales and use tax payments and for filing sales and use tax returns. So if you are a quarterly filer, for example, you will still file your quarterly sales tax return and make your quarterly sales tax payment. The deadline for your fourth quarter payment and quarterly sales tax return is January 31, 2012. If you're a monthly filer, December's payment and return are due January 20, 2012.

Reconciliation

The sales and use tax reconciliation is separate from your quarterly or monthly sales and use tax return. There *is* a change involving reconciliation. Under the old system, the reconciliation was done quarterly. But the Tax Division now requires an annual reconciliation. (The old quarterly reconciliation has been eliminated.) So if you held a Rhode Island sales tax permit in 2011, you must make that detailed sales tax accounting – the reconciliation – by January 31, 2012.

You may make the reconciliation on a special form. The Tax Division mailed the form in early fall to holders of sales tax permits. If you did not receive a copy, or you cannot find your copy, use a blank form, [available by clicking here](#).

→ **New e-file option:** You also have the option to file the form electronically instead of on paper. [Click here to access the online option](#). The online filing feature is available to any retailer currently registered to use the website to make electronic payment of sales and use tax via the ACH debit option. (See next page for more details.)

(Please see next page for "Frequently Asked Questions")

Frequently asked questions

Following are answers to some frequently asked questions regarding the annual reconciliation return.

Q: Do I still file a sales tax return for the month of December, or the quarterly return ending December 31?

The annual reconciliation return is in addition to the sales tax return. They are two separate things. File the sales tax return by its normal due date by reporting the amount of sales tax due with payment. File the separate annual reconciliation by January 31. (The reconciliation portion of the quarterly return is no longer required to be filled out.)

Q: How do I fill out the annual reconciliation return?

Start with the back of the return and fill in Schedule A, listing the gross sales on the applicable lines. Schedule B items are legal deductions from sales. If there is no specific listing for a deduction, fill in Line n, "Other."

Line o, "Total Deductions," is subtracted from Line 3, "Total," to arrive at Line 5, "Net Taxable Sales." Carry the result to page 1, Line A.

Q: If I owe less than one dollar (\$1.00), do I have to make payment?

No. A balance due under \$1.00 is considered a rounding issue and payment is not required.

Q: Can I file my annual sales tax reconciliation online?

Yes. You may [use the state website to file your annual sales tax reconciliation online](#) if you are currently registered to use the website to make electronic payment of sales and use tax via the ACH debit option. If you're not registered, you can still sign up to create your own Rhode Island business tax electronic funds transfer (EFT) filing account. [Click here to start the registration process.](#)

To meet the deadline of January 31, 2012, for filing the annual reconciliation covering 2011, register at least three calendar days before that deadline. The online filing feature is only for filers who choose the ACH debit option. You can use the online filing feature if you have a zero balance or balance due. (If you have a balance due, the system will prompt you for payment.) If you're due a refund, you can still use the online filing feature, but you won't be able to complete the filing; you'll have to print out your receipt at the end and mail it in. (The system provides details.)

Q: What if I have more questions about the annual reconciliation?

Call the Tax Division's Excise Tax section at (401) 574-8955 (select option 2).

Contact:

Neil Downing
Chief Revenue Agent
Rhode Island Division of Taxation
(401) 574-8115
Neil.Downing@tax.ri.gov