



Rhode Island Department of Revenue

Division of Taxation

ADV 2018-46
CORPORATE TAX

ADVISORY FOR TAX PROFESSIONALS
DECEMBER 12, 2018

Deadline is Monday for corporate estimated tax payments

Due date for fourth quarterly payment, normally December 15, is December 17 this year

PROVIDENCE, R.I. – The Rhode Island Division of Taxation reminds tax professionals and taxpayers that the fourth payment of estimated tax for calendar-year C corporations is due on or before Monday, December 17, 2018.

It is the result of a new law that resulted in a new deadline and formula for making estimated tax payments for corporations.

Under the old law, two payments of corporate estimated tax were due: The first payment, for 40 percent of the total, was due on the 15th day of the third month of the tax year. The second payment, for 60 percent of the total, was due on the 15th day of the sixth month of the tax year.

- Thus, for a calendar-year C corporation under the old law, the first payment was due March 15, and the second payment was due June 15.

Under the new law, which applies for tax years beginning after December 31, 2017, a corporation must make four payments of Rhode Island estimated tax, in equal installments of 25 percent apiece: The first payment is due on the 15th day of the fourth month of the tax year, the second payment on the 15th day of the sixth month of the tax year, the third payment on the 15th day of the ninth month of the tax year, and the fourth payment on the 15th day of the twelfth month of the tax year.

- Thus, for a calendar-year C corporation, the fourth payment of estimated tax is due December 15. However, that falls on a Saturday this year. When that happens, the deadline automatically moves to the next business day, which in this case is Monday, December 17, 2018.

Corporate estimated tax – due dates and amounts for 2018

OLD SYSTEM			NEW SYSTEM		
(Payment in two unequal installments)			(Payment in four equal installments)		
	<i>DUE DATE</i>	<i>AMOUNT</i>		<i>DUE DATE</i>	<i>AMOUNT</i>
1 st payment	March 15	40%	1 st payment	April 18	25%
2 nd payment	June 15	60%	2 nd payment	June 15	25%
			3 rd payment	Sept. 17	25%
			4 th payment	Dec. 17	25%

Table assumes filer is calendar-year C corporation. "New system" above shows actual due dates in 2018.

The new system is the result of Rhode Island legislation enacted on August 3, 2017.¹ Corporations now make their Rhode Island estimated tax payments in accordance with federal statute and regulations – making the system more convenient for businesses and their tax advisors. The following table shows which filers are affected.

New corporate estimated tax system – who is affected		
<i>For every corporation having a taxable year after December 31, 2017, payment of estimated tax shall be made in four installments of 25 percent each. This requirement shall apply to the following:</i>		
TAX/ENTITY	NORMALLY FILES ANNUAL RETURN ON:	SUBJECT TO TAX UNDER RHODE ISLAND GENERAL LAWS:
Business corporation tax (also known as corporate income tax)	Form RI-1120C	Chapter 44-11
Political organization tax	Form RI-1120POL	Chapter 44-11.1
Public service corporation tax (also known as public service gross earnings tax)	Form T-72	Chapter 44-13
Taxation of banks (also known as bank excise tax)	Form T-74	Chapter 44-14
Bank deposits tax	Form T-86	Chapter 44-15
Taxation of insurance companies (also known as insurance gross premiums tax)	Form T-71	Chapter 44-17
Surplus lines	Form T-71A	Chapter 27-3

First payment due on 15th day of fourth month of tax year, second payment on 15th day of sixth month of tax year, third payment on 15th day of ninth month of tax year, fourth payment on 15th day of twelfth month of tax year. New estimated payment system also applies to entities subject to mandatory unitary combined reporting and to surplus lines filers. Forms in table are listed solely for convenience; filers of estimated tax will use estimated tax form (unless filing electronically).

The Rhode Island Division of Taxation office is at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance of the State House, and is open to the public 8:30 a.m. to 3:30 p.m. business days. To learn more, see the agency's website: www.tax.ri.gov.

¹ Rhode Island Public Law 2017, chapter 302, article 8, section 16, codified at Rhode Island General Laws § 44-26-2.1.