



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

Advisory

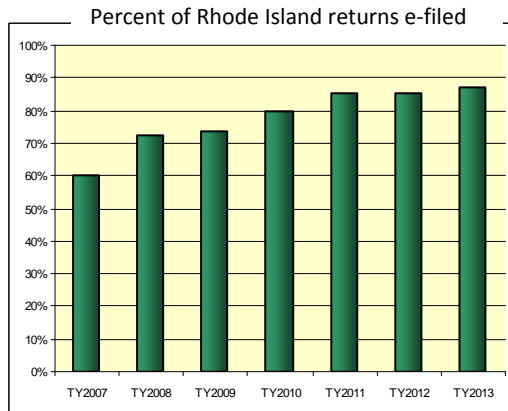
May 5, 2014

ADVISORY: ADV 2014-08

E-filing sets record

More Rhode Island personal income tax returns were filed electronically this season than at any point since e-filing began.

When e-file started in 1995, for tax year 1994, a total of 1,810 Rhode Island personal income tax returns were e-filed – a tiny fraction of all returns filed.



So far in 2014, for tax year 2013, a total of 474,570 Rhode Island personal income tax returns have been e-filed, representing approximately 87 percent of all returns filed.

“Tax preparers and taxpayers have embraced the many benefits of e-filing,” said Rhode Island Tax Administrator David M. Sullivan. E- filing saves time and money, and results in fewer errors and faster processing, said Peter McVay, associate director of revenue services. Also, only e-filing allows for direct deposit of refunds.

E-filing has risen in recent years, too, as shown by the chart above and the table below. During the 2008 filing season, for tax year 2007, approximately 60 percent of Rhode Island personal income tax returns were e-filed. During the 2014 filing season, for tax year 2013, approximately 87 percent were e-filed.

As e-filing has risen, the number of returns filed on paper has declined. This has resulted in a savings – including processing, storage, and handling costs – for the Division of Taxation and for taxpayers, Sullivan said.

Type of filing:	TY 2007	TY 2013
E-filed returns	59.87%	87.21%
Paper returns without barcode	26.59%	8.61%
Paper returns with barcode	13.53%	4.18%
Total:	100.00%	100.00%
<small>Tax year 2007 returns filed through April 29, 2008, and tax year 2013 returns filed through April 30, 2014. Some figures rounded.</small>		

Corporate e-file increase

Approximately 22,500 Rhode Island corporate tax returns have been e-filed so far this year, up from approximately 19,300 at the same point last year, an increase of 17 percent. Overall, approximately 86 percent of all business tax returns for tax year 2013 were e-filed, compared with approximately 77 percent of such returns for tax year 2012. The figures reflect the filing of business tax returns on Form RI-1120C, Form RI-1120S, and Form RI-1065.

There are two chief factors for the continuing increase in corporate e-filing. The Division of Taxation mandated the electronic filing of corporate tax returns beginning with the filing season that started January 1, 2013. In addition, more software providers are making corporate e-file available to tax preparers.

	TY 2012	TY 2013	Difference
Total returns filed	25,024	26,049	+4.1%
Total e-filed	19,280	22,477	+16.6%
% e-filed	77%	86%	+12.0%
<small>Aggregation of returns filed on Form RI-1120C, Form RI-1120S, and Form RI-1065, for tax year 2012 filed through April 27, 2013, and for tax year 2013 filed through April 26, 2014. Some figures rounded.</small>			

Tax news in brief

■ **Letters of Good Standing:** Requests for letters of good standing are now being handled by the Division of Taxation's Compliance & Collections section. Requests filed before April 21, 2014, will continue to be processed by the Division of Taxation's Office Audit and Discovery section. Those filed on or after April 21, 2014, are being processed by Compliance & Collections, which can be reached at (401) 574-8941 from 8:30 a.m. to 4:00 p.m. business days.

■ **Commercial farms:** The Division of Taxation on May 2 filed, as final, a regulation dealing with commercial farm-related items. [Regulation SU 14-151](#), "Commercial Farming and Related Items," consolidates material from three other regulations which the Division of Taxation has now repealed: SU 07-36, "Farm Equipment and Farm Structure Construction Materials"; SU 01-44, "Feeds, Fertilizer, Plants and Seeds, Cattle Bedding, Chicken Litter"; and SU 87-57, "Livestock and Poultry". The Division of Taxation has also now repealed Regulation SU 87-11, "Boarding of Animals", which is outdated.

■ **Tobacco products:** The Division of Taxation in February 2014 held a public hearing on a proposed regulation on record-keeping and other requirements involving tobacco products other than cigarettes (sometimes called "other tobacco products," or "OTP"). Based on comments at the hearing from convenience store owners and others, the agency has withdrawn and rewritten the proposed regulation, hopes to post it soon, and intends to hold a public hearing on it in June. Details will be announced.

For questions about this Advisory, contact:

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