



## QUESTIONS?

Forms and taxpayer information are available:

- In person - One Capitol Hill  
Providence, RI
- The telephone - (401) 222-1040
- The web - [www.tax.state.ri.us](http://www.tax.state.ri.us)

# 2001

## Rhode Island Fiduciary Tax Rate Schedules



This table is to be used by : **Estates**  
**Simple Trusts**  
**Complex Trusts**

**For calendar year 2001 taxpayers or fiscal year taxpayers that have a year beginning in 2001**

Taxable Income		Pay	+	% on Excess	of the amount over
Over	But Not Over				
\$ 0	\$ 1,800	\$ 0		3.825%	\$ 0
1,800	4,250	68.85		7.140%	1,800
4,250	6,500	243.78		7.905%	4,250
6,500	8,900	421.64		9.180%	6,500
8,900	.....	641.96		10.098%	8,900

This table is to be used by : **Bankruptcy Estates**

**For calendar year 2001 taxpayers or fiscal year taxpayers that have a year beginning in 2001**

Taxable Income		Pay	+	% on Excess	of the amount over
Over	But Not Over				
\$ 0	\$ 22,600	\$ 0		3.825%	\$ 0
22,600	54,625	864.45		7.140%	22,600
54,625	83,250	3,151.04		7.905%	54,625
83,250	148,675	5,413.84		9.180%	83,250
148,675	.....	11,419.86		10.098%	148,675

### Special Filing Instructions For Bankruptcy Estates:

- A Bankruptcy Estate Trust return does not relieve the individual debtor's obligation to file a RI-1040.
- The Bankruptcy Estate must have an Employer Identification Number. The SSN of the individual cannot be used.
- Use Form RI-1041 only as a Transmittal for Form RI-1040.
- On the top of Form RI-1040 write "Bankruptcy Estate - DO NOT DETACH."
- Compute the tax on Form RI-1040 using the tax rate schedule above.
- Attach Form RI-1040 to Form RI-1041.
- Complete only the identification area at the top of Form RI-1041.
- Enter the name of the individual in the following format: "John Q. Public Bankruptcy Estate."
- Enter the name of the trustee in the following format: "Jane Smith, Trustee."
- Enter the tax from line 13 of RI-1040 or line 13 of RI-1040NR on line 19 of RI-1041.

Must check a box
Name of estate or trust
Federal Employer Identification Number
Name and title of fiduciary
Address of fiduciary (number and street)
City, state and zip code

Year End
Calendar Year - January 1, 2001 thru December 31, 2001
Fiscal Year - Beginning \_\_\_\_\_, 2001 thru \_\_\_\_\_, 2001

Income
1. Federal total income of fiduciary - Federal Form 1041, line 9
2. Modifications increasing federal total income - (attach list)
3. Modifications decreasing federal income - (attach list - enter as a negative amount)
4. Net modifications - combine lines 2 and 3
5. Modified federal total income - combine lines 1 and 4 - (add net increases or subtract net decreases)
6. Federal total deductions - add Federal Form 1041, lines 16 and 21
7. RI taxable income - subtract line 6 from line 5

Tax and Credits
8. RI income tax - (check only one box)
RI Tax Rate Schedule
RI Schedule D

Credits
9. RI alternative minimum tax - Form RI-6251, line 25
10. Total RI tax to be allocated - add lines 8 and 9
11. Allowable federal credits - Federal Form 1041, schedule G, line 3
12. RI percentage of allowable federal credits - multiply line 11 by 25.5%
13. RI tax after allowable federal credits - before allocation - subtract line 12 from line 10 (not less than zero)

Allocation
14. Allocation - enter amount from page 2, line 39 - (resident estates or trusts enter 1.000)
15. RI income tax after allocation - multiply line 13 by line 14

Credits
16. Credit for income taxes paid to other states (resident estate or trust only)
Enter amount from page 2, line 46
17. Other RI Credits - indicate credit form numbers attach forms
18. Total RI credits - add lines 16 and 17
19. RI income tax after RI credits - subtract line 18 from line 15 (not less than zero)

Payments
20. A. RI income tax withheld - (attach supporting documents)
B. Payments on 2001 Form RI-1041ES and credits carried forward from 2000
C. Nonresident real estate withholding (nonresident estate or trust only)
D. Other payments
E. Total payments - add lines 20A, 20B, 20C and 20D

Amount Due
21. If line 19 is larger than line 20E, SUBTRACT line 20E from line 19. This is the amount you owe.
Check [ ] if form RI-2210 is attached - enter interest due \$ \_\_\_\_\_ or enter zero

Refund
22. If line 20E is larger than line 19, subtract line 19 from 20E. This is the amount you overpaid.
Mail refund returns to - RI Division of Taxation One Capitol Hill, Providence, RI 02908-5806
23. Amount of overpayment to be refunded
24. Amount of overpayment to be applied to 2002 estimated tax

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of fiduciary or officer representing fiduciary Date

Sign Here

May the Division contact your preparer about this return? Yes No

Signature of preparer other than fiduciary SSN, PTIN or EIN Telephone Number

Sign Here

**Resident Estate and Trust Defined**

1. The Estate of a decedent who at his or her death was a resident individual of Rhode Island.
2. A revocable trust which becomes irrevocable upon the occurrence of any event which terminates a person's power to revoke if the person having the power to revoke is a Rhode Island Resident at the time of such event.
3. A trust created by a will of a decedent who is a Rhode Island resident.
4. An irrevocable trust created by or consisting of property contributed by a person who is Rhode Island resident at the time the trust was created or at the time of death is a Rhode Island resident.
5. In cases 2, 3 and 4 such trust is only a resident trust to the extent that the beneficiaries are Rhode Island residents.

**What Schedules to complete?**

If the trust defined in cases 2, 3 or 4 has a nonresident beneficiary, follow the instructions for a nonresident estate or trust.

**Resident Estates and Trusts:**

- ✓ Complete Schedule I and enter 1.0000 on page 1, line 14
- ✓ If you are claiming a credit for income tax paid to another state, complete Schedule III

**Nonresident Estate and Trusts:**

- ✓ If the taxable income of the estate or trust is derived solely from Rhode Island sources, complete schedule I and enter 1.0000 on page 1, line 14
- ✓ If the estate or trust has taxable income both within and without Rhode Island, complete Schedules I and II

**SCHEDULE I BENEFICIARY INFORMATION**

(All estates and trusts must complete this schedule)

	Name	Address	State of Residence	Social Security Number		
25. Beneficiary #1.....						
26. Beneficiary #2.....						
27. Beneficiary #3.....						
28. Beneficiary #4.....						
29. Beneficiary #5.....						

**SCHEDULE II ALLOCATION AND MODIFICATION**

(To be completed by nonresident estates and trusts)

	Column A Percent of Ownership	Column B Federal Income	Column C Modifications to Federal Income	Column D Modified Federal Income	Column E Rhode Island Source Income
30. Beneficiary #1.....					
31. Beneficiary #2.....					
32. Beneficiary #3.....					
33. Beneficiary #4.....					
34. Beneficiary #5.....					
35. Fiduciary.....					
36. Total.....	<b>100%</b>				
37. Modifications to Rhode Island source income.....					37.
38. Modified Rhode Island source income - combine lines 36, column E and 37 - (add net increases or subtract net decreases).....					38.
39. RI allocation - divide line 38 by line 36, column D (not greater than 1.0000) - (enter here and on page 1, line 14).....					39.     .     .     .     .     .

**SCHEDULE III CREDIT FOR INCOME TAXES PAID TO ANOTHER STATE**

(resident estates or trusts only - a signed copy of the other state return must be attached)

40. RI income tax after allowable federal credits - page 1, line 13.....	40.		
41. Income from other state.....	41.		
42. Modified federal total income - page 1, line 5.....	42.		
43. Divide line 41 by line 42.....	43.		
44. Multiply line 40 by line 43.....	44.		
45. Tax due and paid to other state..... Insert name of state paid _____	45.		
46. Maximum tax credit (line 40, 44 or 45 whichever is the smallest) Enter here and on page 1, line 16.....	46.		

Name(s) shown on Form RI-1041	Employer identification number
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**RHODE ISLAND SCHEDULE D**

**PART 1 TAX COMPUTATION USING MAXIMUM CAPITAL GAINS RATES**  
 (FOR TAXPAYERS WHO FILED FEDERAL SCHEDULE D OR COMPLETING PARTS 2 OR 3 BELOW)

		column A	column B	column C
1. RI Taxable Income - RI-1041, page 1, line 7.....	1.			
2. 8% capital gains - Federal Form 1041, schedule D, line 28.....	2.		X 2.04% =	
3. 10% capital gains - Federal Form 1041, schedule D, line 30.....	3.		X 2.55% =	
4. 20% capital gains - Federal Form 1041, schedule D, line 34.....	4.		X 5.10% =	
5. 25% capitol gains - Federal Form 1041, schedule D worksheet, line 30.....	5.		X 6.38% =	
6. 28% capitol gains - Federal Form 1041, schedule D worksheet, line 33.....	6.		X 7.14% =	
7. Total capital gains - add lines 2, 3, 4, 5 and 6 from column A.....	7.			
8. Tax on RI capital gain income - add lines 2, 3, 4, 5 and 6 from column C.....	8.			
9. RI ordinary income - subtract line 7 from line 1.....	9.			
10. RI tax on line 9 - use RI Fiduciary Tax Rate Schedule.....	10.			
11. RI tax on capital gain income and ordinary income - add lines 8 and 10.....	11.			
12. RI tax on amount on line 1 - use RI Fiduciary Tax Rate Schedule.....	12.			
13. <b>Total RI income tax</b> - (the smaller of line 11 or line 12).....	13.			

**IF YOU HAVE NO TAX ON LUMP-SUM DISTRIBUTIONS OR RECAPTURE OF FEDERAL TAX CREDITS, ENTER AMOUNT FROM LINE 13 ON LINE 18 BELOW. OTHERWISE, CONTINUE TO PARTS 2, 3 AND 4.**

**PART 2 TAX ON LUMP-SUM DISTRIBUTIONS**  
 (FOR TAXPAYERS WHO FILED FEDERAL FORM 4972)

14. Tax on lump-sum distributions - Federal Form 1041, schedule G, line 1b.....	14.		
15. <b>RI tax on lump-sum distributions</b> - multiply line 14 by 25.5%.....	15.		

**PART 3 RECAPTURE OF FEDERAL TAX CREDITS**  
 (FOR TAXPAYERS WHO HAVE A RECAPTURE OF FEDERAL TAX CREDITS INCLUDED IN THEIR TAX)

16. Amount of recapture of federal tax credits - Federal Form 1041, schedule G, line 5.....	16.		
17. <b>RI recapture taxes</b> - multiply line 16 by 25.5%.....	17.		

**PART 4 TOTAL OF PARTS 1, 2 AND 3**

18. <b>Total</b> - add part 1, line 13; part 2, line 15 and part 3, line 17 Enter here and on RI-1041, page 1, line 8 and check the RI schedule D box.....	18.		
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**RI-6251 RHODE ISLAND ALTERNATIVE MINIMUM TAX**  
 (FOR TAXPAYERS WHO FILED A FEDERAL FORM 6251)

19. Federal tentative alternative minimum tax - Federal Form 1041, schedule I, line 39.....	19.		
20. RI tentative alternative minimum tax - multiply line 19 by 25.5%.....	20.		
21. RI income tax - RI-1041, page 1, line 8.....	21.		
22. Foreign tax credit - Federal Form 1041, schedule G, line 2a.....	22.		
23. Multiply line 22 by line 25.5%.....	23.		
24. Subtract line 23 from line 21.....	24.		
25. <b>RI alternative minimum tax</b> - subtract line 24 from line 20 (if zero or less enter zero) - enter here and on RI-1041, line 9.....	25.		

## QUESTIONS?

Forms and taxpayer information are available:

- In Person – One Capitol Hill  
Providence, RI
- The Telephone – (401) 222-10
- The web – [www.tax.state.ri.us](http://www.tax.state.ri.us)

# 2001 Rhode Island Fiduciary Income Tax Return



## 2001 GENERAL INSTRUCTIONS

### WHO MUST FILE

The fiduciary of a resident estate or trust must file a return on Form RI-1041 if the estate or trust (1) is required to file a federal income tax return for the taxable year or (2) had any Rhode Island taxable income for the taxable year.

The fiduciary of a nonresident estate or trust must file a return on Form RI-1041 if the estate or trust had income or gain derived from Rhode Island sources.

### DEFINITIONS

A resident estate is the estate of a decedent who at his death was a resident individual in this state.

A resident trust means, to the extent that one or more beneficiaries are residents in Rhode Island:

- A trust created by will of a decedent who at his death was a resident individual in this state, or
- A revocable trust which becomes irrevocable upon the occurrence of any event (including death) which terminates a person's power to revoke, but only after the event, and only if the person having the power to revoke was a Rhode Island resident individual at the time of such event, or
- An irrevocable trust created by or consisting of property contributed by a person who is a resident individual in this state at the time the trust was created or the property contributed (a) while such person is alive and a resident individual in this state, and (b) after such person's death if such person died a resident individual of this state.

### WHAT SCHEDULES TO COMPLETE

All estates and trusts must complete schedule I. If the trust has a nonresident beneficiary, follow the instructions for a nonresident estate or trust.

#### Resident Estates and Trusts:

Complete schedule I and enter 1.000 on page 1, line 14. If the estate or trust is claiming credit for income taxes paid to another state, complete schedule I, schedule III and enter 1.000 on page 1, line 14.

#### Nonresident Estates and Trusts:

If the all the income of the estate or trust is derived solely from Rhode Island sources, complete schedule I and enter 1.0000 on page 1, line 14. If the estate or trust has taxable income both within and without Rhode Island, complete schedules I and II.

### PERIODS TO BE COVERED

The fiduciary taxable year for Form RI-1041 shall be the same as the federal taxable year.

### PAYMENTS OR REFUNDS

#### Payments:

Any tax due must be paid in full with the return. Make check or money order payable to the Rhode Island Division of Taxation and send with the return to the Rhode Island Division of Taxation, One Capitol Hill, Providence, RI 02908-5808. An amount due of less than one dollar (\$1) need not be paid.

#### Refunds:

A refund will be made if an overpayment of income tax is shown on the return, unless indicated on the return that such overpayment is to be credited to the fiduciary's estimated tax liability for 2002. No other application for refund is necessary. Please note that no refund can be made unless the return is properly signed. Refunds of less than \$1.00 will not be paid unless specifically requested.

### SIGNATURE

The Rhode Island Fiduciary Income Tax Return must be signed. An unsigned return cannot be processed. Any paid preparer who prepares a taxpayer's return must also sign as "preparer". If a firm or corporation prepares the return, it should be signed in the name of the firm or corporation.

### WHOLE DOLLAR AMOUNTS

The money items may be shown as whole dollar amounts. Any amount under 50 cents may be eliminated and any amount that is 50 cents or more must be increased to the next highest dollar.

### ACCOUNTING PERIODS AND METHODS

The accounting period for which Form RI-1041 is filed and the method of accounting used are the same as for federal income tax purposes. If the taxable year or the method of accounting is changed for federal income tax purposes, such change applies similarly to the state fiduciary return.

### REPORT OF CHANGE IN FEDERAL TAXABLE INCOME

If the amount of the federal taxable income is changed or corrected by the Federal Government, the fiduciary must report to the Rhode Island Division of Taxation such change or correction within 90 days after the final determination of such change or correction. Any fiduciary filing an amended federal income tax return must also file within 90 days thereafter an amended Rhode Island return.

### WHEN AND WHERE TO FILE

The due date is April 15, 2002 for returns filed for the calendar year 2001 and the 15<sup>th</sup> day of the fourth month following the close of the taxable year for returns filed for a year ending other than December 31. Mail your return to:

**REFUND RETURNS**  
State of Rhode Island

Division of Taxation  
One Capitol Hill  
Providence, RI 02908-5806

#### ALL OTHERS RETURNS

State of Rhode Island  
Division of Taxation  
One Capitol Hill  
Providence, RI 02908-5808

### EXTENSION OF TIME

Any extension of time granted for filing a Rhode Island Fiduciary Income Tax Return shall not operate to extend the time for the payment of any tax due on such return.

#### In General -

- A fiduciary that is required to file a Rhode Island Fiduciary Income Tax Return shall be allowed an automatic four month extension of time to file such return.
- An application must be prepared in duplicate on form RI-8736.
- The original of the application must be filed on or before the date prescribed for the filing of the return of the fiduciary with the Rhode Island Division of Taxation.
- Such application for extension must show the full amount properly estimated as tax for such fiduciary for such taxable year, and such application must be accompanied by the full remittance of the amount properly estimated as tax which is unpaid as of the date prescribed for the filing of the return.

NOTE: If no payment is required to be made with the Rhode Island extension form and the fiduciary is filing a federal extension form for the same period of time, then the fiduciary does not need to submit the Rhode Island form. Attach a copy of the Federal Form 8736 or the approved Federal Form 8800 to the Rhode Island Fiduciary Income Tax Return at the time it is submitted.

### WHERE TO GET FORMS

Additional forms and instructions may be obtained from:

The website: [www.tax.state.ri.us](http://www.tax.state.ri.us)

The faxback system: (401) 274-3676

The Division of Taxation: (401) 222-1111

### TECHNICAL ASSISTANCE

If you have any questions regarding the preparation of the return, please submit full details to the Division of Taxation, One Capitol Hill, Providence, RI 02908-5801

# 2001 SPECIFIC INSTRUCTIONS

## COMPLETE THE FEDERAL INCOME TAX RETURN FIRST

The Federal Fiduciary Income Tax Return is the basis for preparing your Rhode Island Fiduciary Income Tax Return. In general, the Rhode Island fiduciary income tax is based on the fiduciary's federal total income. Accuracy and attention to detail in completing the return in accordance with these instructions will facilitate the processing of your tax return.

**Type of Return** – Indicate by checking the appropriate box what type of return you are preparing. If you are preparing a bankruptcy estate, see the 2001 Rhode Island Fiduciary Tax Rate Schedules for instructions on how to file.

**Names, Address and Federal Employer Identification Number** – make sure the names, address and federal employer identification number on the return are correct. Incorrect entries could delay the processing of your return.

**Year End** – Indicate by checking the appropriate box whether the fiduciary is a calendar or fiscal year filer. If the fiduciary is a fiscal year filer, indicate the beginning and the year-end of the fiduciary in the space provided. Only fiduciaries with a fiscal year beginning in 2001 may use this form.

**Line 1 – Federal Total Income of Fiduciary**  
Enter the amount of income from Federal Form 1041, line 9

**Line 2 – Modifications Increasing Federal Total Income**  
Enter the amount of modifications increasing federal total income. Examples of modifications increasing federal income:

- (1) Interest income on obligations of any state, or its political subdivisions other than Rhode Island or its political subdivisions.
- (2) Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the extent exempted by the laws of the United States from federal income tax but not from state income taxes
- (3) Rhode Island fiduciary adjustment as beneficiary of an estate or trust under Section 44-30-17.
- (4) Interest on indebtedness incurred or continued to purchase or carry obligations or securities the income of which is exempt from Rhode Island personal income tax, to the extent such interest has been deducted in determining federal total income or taxable income.

**Line 3 – Modifications Decreasing Federal Income**  
Enter as a negative number the amount of modifications decreasing federal income. Examples of modifications decreasing federal income:

- (1) Income from obligations of the United States Government to the extent included in gross income for federal tax purposes but exempt for state purposes. Example – United States Government Series E bond interest.

- (2) Rhode Island fiduciary adjustment as beneficiary of an estate or trust under Section 44-30-17.
- (3) Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States to the extent included in gross income for federal income tax purposes but exempt from state income taxes under laws of the United States.

### Line 4 – Net Modifications

Combine lines 2 and 3

### Line 5 – Modified Federal Total Income

Combine lines 1 and 4. Add net increases or subtract net decreases, whichever applies.

### Line 6 – Federal Total Deductions

Enter the amount of federal deductions from Federal Form 1041, lines 16 and 21.

### Line 7 – Rhode Island Taxable Income

Subtract line 6 from line 5.

### Line 8 – Rhode Island Income Tax

Enter the RI tax from the RI Fiduciary Tax Rate Schedules or RI Schedule D, whichever applies. Check the box to indicate the method used to calculate the RI tax. Check only one box.

### Line 9 – Rhode Island Alternative Minimum Tax

If the fiduciary is reporting an alternative minimum tax on the Federal Fiduciary Income Tax Return, the fiduciary must complete Form RI-6251 and enter the amount from line 25 on page 1, line 9 of Form RI-1041. Attach a copy of Form RI-6251 to the RI-1041. However, if the fiduciary claimed modifications to federal total income, the fiduciary may need to recalculate the federal alternative minimum tax based on the fiduciary's modified federal total income. If the fiduciary did not report a federal alternative minimum tax, but a federal alternative minimum tax would be required based on the modified federal total income, the fiduciary must calculate a federal alternative minimum tax for Rhode Island purposes.

### Line 10 – Total RI Tax To Be Allocated

Add lines 8 and 9.

### Line 11 – Allowable Federal Credits

Enter amount from Federal Form 1041, schedule G, line 3.

### Line 12 – RI Percentage of Allowable Federal Credits

Multiply the amount on line 11 by 25.5%.

### Line 13 – RI Tax After Allowable Federal Credits – Before Allocation

Subtract line 12 from line 11.

### Line 14 – Allocation

Nonresident estates or trusts enter the amount from page 2, schedule II, line 39. Resident estates or trusts enter 1.0000.

### Line 15 – RI Income Tax After Allocation

Multiply the amount on line 13 by the percentage on line 14.

### Line 16 – Credit For Income Taxes Paid To Other States

Resident estates or trusts only. Enter the amount from page 2, schedule III, line 46.

### Line 17 – Other RI Credits

Enter the amount of RI credits. Indicate the credit form number in the space provided and attach the credit form to the RI-1041.

### Line 18 – Total RI Credits

Add lines 16 and 17.

### Line 19 – RI Income Tax After RI Credits

Subtract line 18 from line 15 (if zero or less enter zero).

### Line 20A– RI Income Tax Withheld

Enter total amount of Rhode Island 2001 income tax withheld. (Attach the state copy of all forms W-2, 1099s, etc. to the front of the return) Credit for Rhode Island income tax withheld will be allowed only for those amounts supported by attached W-2s, 1099s, etc.

### Line 20B – Payments on 2001 Form RI-1041ES and Credits Carried Forward From 2000

Enter the amount of estimated payments on 2001 Form RI-1041ES and the amount applied from the fiduciary's 2000 return.

### Line 20C – Nonresident Real Estate Withholding

Enter the amount of Rhode Island income tax withheld on sales of real estate located in Rhode Island.

### Line 20D – Other Payments

Enter any other payments, including advance payments made with the fiduciary's application for an automatic extension of time to file (Form RI-8736). Attach a copy of Form RI-8736 to the RI-1041.

### Line 20E – Total Payments

Add lines 20A, 20B, 20C and 20D.

### Line 21 – Amount Due

If the amount on line 19 is greater than the amount of line 20E, SUBTRACT line 20E from line 19 and enter the balance due on line 21. This is the amount the fiduciary owes. This amount is payable in full with the return. An amount due of less than one dollar (\$1) need not be paid. If the fiduciary owes underestimating interest, complete Form RI-2210 and indicate the amount of interest due in the space provided on line 21. Add the interest to the amount due, enter the total on line 21 and include the total amount due with the return.

### Line 22 – Overpayment

If the amount on line 20E is greater than the amount on line 19 then subtract line 19 from line 20E and enter the overpayment on line 22.

### Line 23 – Refund

Enter the amount of the overpayment on line 22 that is to be refunded. Refunds of less than \$1.00 will not be paid unless specifically requested.

### Line 24 - Overpayment to be applied to 2002

Enter the amount of overpayment on line 22, which is to be applied to the fiduciary's 2002 estimated tax.

## SCHEDULE I BENEFICIARY INFORMATION

### Lines 25 through 29 – Beneficiary Information

Enter in lines 25 through 29 the name, address, state of residence and social security number of each beneficiary. If additional space is required, attach a supporting schedule containing the required information.

## SCHEDULE II ALLOCATION AND MODIFICATION

### Lines 30 through 35 – Allocation and Modification

#### Column A – Percent Of Ownership

Enter in column A the percent of ownership of each beneficiary.

#### Column B – Federal Income

Enter in column B the amount of federal income attributable to each of the beneficiaries and the fiduciary.

#### Column C – Modifications To Federal Income

Enter in column C the amount of modifications to the income reported in column B for each of the beneficiaries and the fiduciary. For examples of modifications see the instructions for lines 2 and 3.

#### Column D – Modified Federal Income

Subtract column C from column B.

#### Column E – Rhode Island Source Income

Enter in column E the amount of Rhode Island source income included in column D.

**Nonresident Source Income:** Business conducted in RI, RI rental property, wages earned in RI and sale or exchange of RI property.

**Resident Source Income:** For the purpose of this schedule include all income of the beneficiary except non RI source income.

#### Line 36, Columns B Through E – Total

Add the amounts in each column and enter the total on line 36 of each column.

#### Line 37 – Modifications to RI Source Income

Enter the amount of modifications included in Rhode Island source income reported on line 36, column E.

#### Line 38 – Modified RI Source Income

Combine lines 36, column E and 37. Add net increases or subtract net decreases.

#### Line 39 – RI Allocation

Divide line 38 by line 36, column D (not greater than 1.000). Enter here and on page 1, line 14.

## SCHEDULE III CREDIT FOR INCOME TAXES PAID TO ANOTHER STATE

This schedule pertains only to the fiduciary of a resident estate or trust. The fiduciary of a resident estate or trust is entitled to a credit against its RI tax liability for income taxes paid to other states. The credit **cannot exceed** the RI tax on line 8.

#### Line 40 – RI Income Tax After Allowable Federal Credits

Enter the amount from page 1, line 13

#### Line 41 – Income From Other State

Enter the amount of income reported to the other state.

#### Line 42 – Modified Federal Total Income

Enter the amount from page 1, line 5.

#### Line 43 – Divide line 41 by line 42.

#### Line 44 – Multiply line 40 by line 43.

#### Line 45 – Tax Due and Paid To Other State

Enter the amount of tax due and paid to the other state.

#### Line 46 – Maximum Tax Credit

Enter the smaller of lines 40, 44 or 45. Enter here and on page 1, line 16.

## SCHEDULE D

This form is to be used by fiduciaries reporting capital gains or figuring their tax on Federal Form 1041, schedule D and/or who, for federal income tax purposes, are reporting tax on lump-sum distributions; and/or reporting recapture of federal tax credits.

#### Line 1 – RI Taxable Income

Enter the amount from Form RI-1041, page 1, line 7.

#### Line 2 – 8% Capital Gains

Enter in column A the amount from Federal Schedule D, line 28 or Federal Schedule D Tax Worksheet, line 18. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

#### Line 3 – 10% Capital Gains

Enter in column A the amount from Federal Schedule D, line 30 or Federal Schedule D Tax Worksheet, line 20. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

#### Line 4 – 20% Capital Gains

Enter in column A the amount from Federal Schedule D, line 34 or Federal Schedule D Tax Worksheet, line 24. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

#### Line 5 – 25% Capital Gains

Enter in column A the amount from Federal Schedule D Tax Worksheet, line 30. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

#### Line 6 – 28% Capital Gains

Enter in column A the amount from Federal Schedule D Tax Worksheet, line 33. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

#### Line 7- Total Capital Gains

Add the amounts in column A, lines 2, 3, 4, 5 and 6. Enter the total in column A, line 7.

#### Line 8 – Rhode Island Tax on Capital Gains

Add the amounts in column C, lines 2, 3, 4, 5 and 6. Enter the total in column C, line 8.

#### Line 9 – Rhode Island Ordinary Income

Subtract the amount in column A, line 7 from the amount in column A, line 1. Enter the result in column A, line 9.

**Line 10 – Rhode Island Tax on Ordinary Income**  
Calculate the Rhode Island income tax on ordinary income on line 9, column A using Rhode Island Fiduciary Tax Rate Schedules. Enter the result in column C, line 10.

#### Line 11 – Rhode Island Tax on Capital Gain Income and Ordinary Income

Add the amounts in column C, lines 8 and 10. Enter the total in column C, line 11.

#### Line 12 – Rhode Island Tax on Amount on Line 1

Use the Rhode Island Fiduciary Tax Rate Schedules to calculate the Rhode Island tax on the amount on line 1.

#### Line 13 – Total Rhode Island Income Tax

Enter the smaller of lines 11 or 12.

## PART 2 – TAX ON LUMP-SUM DISTRIBUTIONS

#### Line 14 – Tax on Lump-Sum Distributions

Enter the amount of tax on lump-sum distributions from Federal Form 1041, schedule G, line 1b.

#### Line 15 – RI Tax on Lump-Sum Distributions

Multiply the amount on line 14 by 25.5%.

#### Part 3 – Recapture of Federal Tax Credits

#### Line 16 – Recapture of Federal Tax Credits

Enter the amount of recapture of federal tax credits from Federal Form 1041, schedule G, line 5.

#### Line 17 – RI Recapture Taxes

Multiply the amount on line 16 by 25.5%.

#### PART 4 – TOTAL OF PARTS 1, 2 AND 3

#### Line 18 – Total

Add part 1, line 13; part 2, line 15 and part 3, line 17. Enter here and on RI-1041, page 1, line 8 and check the RI schedule D box.

## RI-6251 RHODE ISLAND ALTERNATIVE MINIMUM TAX

#### Line 19 – Federal Tentative Alternative Minimum Tax

Enter the amount from Federal Form 1041, schedule I, line 39.

#### Line 20 – RI Tentative Alternative Minimum Tax

Multiply line 19 by 25.5%.

#### Line 21 – RI Income Tax

Enter the amount Form RI-1041, page 1, line 8.

#### Line 22 – Foreign Tax Credit

Enter the amount of foreign tax credit from Federal Form 1041, schedule G, line 2a.

#### Line 23 – Multiply line 22 by 25.5%

#### Line 24 – Subtract line 23 from line 21

#### Line 25 – RI Alternative Minimum Tax

Subtract line 24 from line 20 (if zero or less enter zero). Enter here and on RI-1041, line 9.