

INSTRUCTIONS FOR FILING FORM RI-1065PA

For more information on filing a Partnership Adjustment - Federal Imputed Assessment Return or to obtain forms, refer to the Rhode Island Division of Taxation's website: www.tax.ri.gov or call (401) 574-8829, option #6.

GENERAL INSTRUCTIONS

"Audited partnership" means a partnership or an entity taxed as a partnership federally subject to a partnership level audit resulting in a federal adjustment.

"Federal adjustment" means a change to an item or amount determined under the Internal Revenue Code (IRC) that is used by a taxpayer to compute Rhode Island tax owed whether that change results from action by the IRS, including a partnership level audit, or the filing of an amended federal return, federal refund claim, or an administrative adjustment request by the taxpayer.

"Final federal adjustment" means a federal adjustment after the final determination date for that federal adjustment has passed.

"Partnership level audit" means an examination by the IRS at the partnership level pursuant to Subchapter C of Title 26, Subtitle F, Chapter 63 of the IRC, as enacted by the Bipartisan Budget Act of 2015, Public Law 114-74, which results in Federal Adjustments.

WHO MUST FILE A RETURN

Pursuant to R.I. Gen. Laws § 44-11-2.2(e), a partnership shall report final federal adjustments pursuant to IRC section 6225(a)(2) arising from a partnership level audit or an administrative adjustment request and make payments by filing the applicable supplemental return as prescribed under § 44-11-2.2(e)(1)(ii), and as required under § 44-11-19(b), in lieu of taxes owed by its direct and indirect partners.

Failure of the audited partnership or tiered partner to report final federal adjustments under IRC § 6225(a) and § 6225(c), or to pay, does not prevent the Division of Taxation from assessing the audited partnership, direct partners, or indirect partners for taxes they owe, using the best information available, in the event that a partnership or tiered partner fails to timely make and report or payment required under Rhode Island General Laws § 44-11-19(b) for any reason.

WHERE AND WHEN TO FILE

Partnerships and partners shall, within one hundred and eighty (180) days after receipt of notification of the final federal adjustments arising from a partnership level audit or an administrative adjustment, file a Rhode Island Partnership Adjustment - Federal Imputed Assessment Return and make payments as required by R.I. Gen. Laws § 44-11-19(b).

Mail your return and payment to:
Rhode Island Division of Taxation
One Capitol Hill
Providence, RI 02908 – 5811

PAYMENTS

Any **PAYMENT** of tax liability shown on your return to be due to the State of Rhode Island must be paid in full with your return. No coupon is required. If payment is not submitted with the return the entity will be sent an assessment notice.

INTEREST AND PENALTY

(a) Interest on the balance due

For failure to pay the tax on time, interest at the rate of 18% (0.1800) per year; or 1.5% (0.0150) per month, shall be assessed.

Interest shall accrue on the amount from line 10 at the rate of 18% per annum from the original due date for filing the original RI-1065 return through the actual date of payment for the RI-1065PA return.

(b) Penalty on the balance due

For failure to file the return on time, a penalty at the rate of 5% (0.0500) per month not to exceed 25% (0.2500) shall be assessed from the original due date for filing the original RI-1065 return through the actual date the RI-1065PA return is filed.

For failure to pay the tax on time, a penalty at the rate of 0.5% (0.0050) per month not to exceed 25% (0.2500) shall be assessed from the original due date for filing the original RI-1065 return through the actual date of payment for the RI-1065PA return.

WHERE TO GET FORMS

Forms may be obtained by:
- visiting the Division of Taxation's website: <http://www.tax.ri.gov>
- calling the Division of Taxation's Forms Request line: (401) 574-8970
- emailing the Division of Taxation's Forms address: Tax.Forms@tax.ri.gov

SPECIFIC LINE INSTRUCTIONS

NAME AND ADDRESS

Complete the identification portion of the return, including name, address, Federal Identification Number/Social Security Number, taxable year and final determination date.

Check the box that corresponds to your entity type.

If the address on this return is different from your address on file with the Rhode Island Division of Taxation, check the "Address Change" check box.

Using Column A for C Corporations and Column B for all others, enter the information for lines 1 through 7.

Line 1: Net Rhode Island Adjustments

Line 2: Nonapportionable or allocable amounts included in line 1.

Line 3: Amount subject to apportionment. Subtract line 2 from line 1.

Line 4: Rhode Island apportionment ratio. Carry to six (6) decimal places. (0.000000)

Line 5: Multiply line 3 by the apportionment ratio on line 4.

Line 6: Portion from line 2 that is allocated to Rhode Island

Line 7: Add lines 5 and 6. If zero or less, enter "0".

Line 8: Rhode Island tax rate. C Corporations tax rate is 7.0%. Sub S Corps, Individuals, LLCs, Partnerships & Trusts have a tax rate of 5.99%

Line 9: Multiply the amount on line 7 by the applicable tax rate on line 8. This is the amount of Rhode Island tax due.

Line 10: Add lines 9a and 9b. This is the total Rhode Island tax due.

Line 11: Interest amount due.
For failure to pay the tax on time, interest at the rate of 18% (0.1800) per year; or 1.5% (0.0150) per month, shall be assessed.

Interest shall accrue on the amount from line 10 at the rate of 18% per annum from the original due date for filing the original RI-1065 return through the actual date of payment for the RI-1065PA return.

Line 12: Penalty amount due.
For failure to file the return on time, a penalty at the rate of 5% (0.0500) per month not to exceed 25% (0.2500) shall be assessed from the original due date for filing the original RI-1065 return through the actual date the RI-1065PA return is filed.

For failure to pay the tax on time, a penalty at the rate of 0.5% (0.0050) per month not to exceed 25% (0.2500) shall be assessed from the original due date for filing the original RI-1065 return through the actual date of payment for the RI-1065PA return.

Line 13: Total amount due. Add lines 10, 11, and 12.