



Rhode Island Department of Revenue Division of Taxation

ADV 2017-09
TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS
MARCH 1, 2017

New filing deadlines will apply starting this month

Partnerships and calendar-year C corporations swap places in filing calendar

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today issued a reminder to tax professionals, business entities, and others that filing deadlines have changed for a number of different entities. For example, calendar-year C corporations and partnerships have swapped places in the filing calendar:

- Calendar-year partnerships, which formerly filed in April, now must file in March.
- Calendar-year C corporations, which formerly filed in March, now must file in April.

The following table shows the March filing deadline and the September extended due date for a number of business entities and tax types.

| Due date of March 15, 2017, for calendar-year filers | | | |
|---|-------------|-----------------|--------------------------|
| <i>Entity/tax type</i> | <i>Form</i> | <i>Due date</i> | <i>Extended due date</i> |
| General partnerships | RI-1065 | March 15, 2017 | September 15, 2017 |
| Limited partnerships | RI-1065 | March 15, 2017 | September 15, 2017 |
| Limited liability companies | RI-1065 | March 15, 2017 | September 15, 2017 |
| Single-member LLC* | RI-1065 | March 15, 2017 | September 15, 2017 |
| Subchapter S corporations | RI-1120S | March 15, 2017 | September 15, 2017 |
| Withholding of pass-through entity | RI-1096PT | March 15, 2017 | September 15, 2017 |
| Composite income tax return** | RI-1040C | March 15, 2017 | September 15, 2017 |
| Political organization tax | RI-1120POL | March 15, 2017 | September 15, 2017 |

Formulas and deadlines for estimated taxes have not changed.
Deadlines apply to those treated as pass-through entities for federal tax purposes.
* Single-member limited liability company (SMLLC) uses same due date and extended due date as its owner. Table assumes owner is calendar-year S corporation.
** Dates also apply to filers of Form RI-1040C-NE.

BACKGROUND AND EXPLANATION

Legislation approved by Congress and signed into law by then-President Barack H. Obama on July 31, 2015, changed the original due dates for C corporations and partnerships.¹ The new federal law also made changes to extended due dates for certain entities.

Legislation approved by the Rhode Island General Assembly and signed by Rhode Island

¹ U.S. Public Law 114-41.

Governor Gina M. Raimondo on June 24, 2016, conforms Rhode Island law to federal law regarding C corporation and partnership due dates.²

The Division of Taxation has since updated its extended due dates in response to Internal Revenue Service changes with the goal of having the same deadline for purposes of filing federal and Rhode Island returns – a convenience for taxpayers and tax professionals.

Example:

XYZ Partnership is a calendar-year partnership treated as a pass-through entity for federal tax purposes. The due date for its information return this season is March 15, 2017, for federal and Rhode Island purposes, and the extended due date is September 15, 2017, for federal and Rhode Island purposes.

APRIL 18 DEADLINE

The due date for calendar-year C corporations this filing season is April 18, 2017, for both federal and Rhode Island purposes, and the extended due date is October 16, 2017.³ Thus, calendar-year C corporations will have the same deadlines for federal and Rhode Island tax purposes. In other words, their returns will be due at the same time.

The following table shows the April filing deadline and the extended due date for a number of business entities and tax types.

| Due date of April 18, 2017, for calendar-year filers | | | |
|--|-------------|-----------------|--------------------------|
| <i>Entity/tax type</i> | <i>Form</i> | <i>Due date</i> | <i>Extended due date</i> |
| Corporate income tax | RI-1120C | April 18, 2017 | October 16, 2017 |
| Public service gross earnings tax | T-72 | April 18, 2017 | October 16, 2017 |
| Bank excise tax | T-74 | April 18, 2017 | October 16, 2017 |
| Insurance gross premiums tax | T-71 | April 18, 2017 | October 16, 2017 |
| Single-member LLC* | RI-1065 | April 18, 2017 | October 16, 2017 |
| Income tax of trust, estate | RI-1041 | April 18, 2017 | September 30, 2017 |

Formulas and deadlines for estimated taxes have not changed.
* Single-member limited liability company (SMLLC) uses same due date and extended due date as its owner. Table assumes owner is calendar-year individual.

Although the chief focus of this Advisory is on business entities, the Division of Taxation also takes note that the April 18, 2017, filing deadline also applies to:

- Resident and nonresident personal income tax returns on Form RI-1040, RI-1040NR.
- Statewide property-tax relief claims on Form RI-1040H.
- Residential lead-abatement credit claims on Form RI-6238.
- First quarterly estimated payment for 2017 of Rhode Island personal income tax.

² Rhode Island Public Law 2016, ch. 142, art. 13.

³ The deadlines also apply to those subject to mandatory unitary combined reporting.

FILING ON EXTENSION

Entities seeking an automatic six-month extension should use Form RI-7004 or Form BUS-EXT (depending on the entity). Keep in mind that it is an extension of the time to file, not of the time to pay; payments are still due on the original due date (even if the return is filed later).

The Division of Taxation does not accept e-filed extensions; they must be filed on paper. But there is a key exception: If you make an extension payment online, you don't need to send in an extension form. Use the following link:

<https://www.ri.gov/taxation/business/index.php>.

Because extension requests must be made on paper, Rhode Island's corporate e-file mandate does not apply to extension requests.

(Although the Division of Taxation does not accept e-filed extensions, the Division does accept – and encourage – e-filed returns, including e-filed returns that are made on extension.)



The screenshot shows the 'RI Business Tax Filings' sign-in page. At the top, there is a header for the 'State of Rhode Island Business Taxes DIVISION OF TAXATION'. Below this, the page title is 'RI Business Tax Filings'. The sign-in section includes a 'Sign in' label, a 'Rhode Island Identification No.' field with a '(11-digit number)' note, a 'Password' field with a '(case sensitive)' note, and an orange 'SIGN IN' button.

ESTIMATED TAX PAYMENTS

Keep in mind that C corporations subject to the corporate income tax (also known as the business corporation tax) must pay tax during 2017 to cover their 2017 tax liability. The amounts and due dates of the installments are as follows:

- 40 percent by March 15 for calendar-year filers.
- 60 percent by June 15 for calendar-year filers.

March 15 is also the deadline for the first estimated payment of the year for calendar-year filers of the following:

- bank deposits tax.
- bank excise tax.
- insurance gross premium tax.
- public service corporation gross earnings.
- Rhode Island political organization taxes.

Additional details are available on forms corresponding to the various tax types. Forms and instructions are available for viewing or download at any time: <http://www.tax.ri.gov/taxforms/>.

Note that deadlines for estimated and annual tax payments, and for returns, for surplus lines insurance brokers/licenseses have not changed. See: <http://go.usa.gov/x8mYW>.

PERSONAL INCOME TAX REFUNDS

So far during this tax-filing season, the average Rhode Island personal income tax refund is \$557.27 for tax year 2016 returns (before interest and offset). That is an increase of 10.7 percent over the average of \$503.25 for tax year 2015 returns (before interest and offset) that were filed in the corresponding period last filing season.

The total amount of refunds issued so far this season is up 9.3 percent, to more than \$84 million.

The number of refunds issued so far this season is down 1.3 percent compared with the corresponding period last filing season. However, last filing season's period contained two additional days of processing. Also, 9.3 percent fewer returns have been received so far this filing season compared with last season.


| Rhode Island personal income tax refunds – year to date | | | |
|---|---|---|---------|
| | Filing season 2016 (Tax year 2015 returns) | Filing season 2017 (Tax year 2016 returns) | |
| Year-to-date number of refunds: | 153,783 | 151,748 | - 1.3% |
| Year-to-date total amount refunded: | \$ 77,391,720.71 | \$ 84,564,425.80 | + 9.3% |
| Year-to-date average refund: | \$ 503.25 | \$ 557.27 | + 10.7% |

Cumulative, year-to-date, tax year 2015 refunds processed through February 29, 2016, and tax year 2016 refunds processed through February 27, 2017. Numbers are before interest and offset, and do not include refunds for tax years other than those stated.

WHERE'S MY REFUND?

Before calling the Division of Taxation to check on the status of a refund, use the agency's "Where's My Refund?" interactive online tool. It is available 24 hours a day, seven days a week. Taxpayers and tax professionals use the secure website to find out if the Division of Taxation has received a return and whether any associated refund has been processed.

The Division of Taxation's "Where's My Refund?" online tool is updated with fresh information at least once a week, typically late each Friday. The online tool has been made more user-friendly this filing season by providing additional information about the status of returns, refunds, and related information. For details, use the following link: <http://go.usa.gov/x9JSP>. That link also includes guidance on how soon you should start using the tool, after you've filed your return, to check on the status of your refund.



Check the status of your Rhode Island personal income tax refund any time, day or night, using the Rhode Island Division of Taxation's "Where's My Refund?" interactive online tool: <https://www.ri.gov/taxation/refund/>

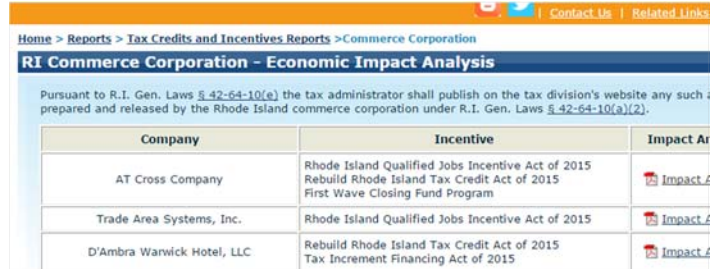
TAX INCENTIVE REPORTS ONLINE

The Rhode Island Division of Taxation has established a new section of its website to host economic impact analysis reports developed by the Rhode Island Commerce Corporation.

Under Rhode Island General Laws § 42-64-10, the Commerce Corporation must prepare and publicly release an analysis of the impact that certain proposed projects will or may have on the state.

The same statute requires the Division of Taxation to post the reports on its website. So far, the Division has posted economic impact analysis reports on each of nine projects that involve tax credit agreements. The reports are available via the following link:

<http://www.tax.ri.gov/taxcreditreports/CommerceCorpAnalysis.php>



| Company | Incentive | Impact Analysis |
|----------------------------|---|---------------------------------|
| AT Cross Company | Rhode Island Qualified Jobs Incentive Act of 2015 Rebuild Rhode Island Tax Credit Act of 2015 First Wave Closing Fund Program | Impact Analysis |
| Trade Area Systems, Inc. | Rhode Island Qualified Jobs Incentive Act of 2015 | Impact Analysis |
| D'Ambra Warwick Hotel, LLC | Rebuild Rhode Island Tax Credit Act of 2015 Tax Increment Financing Act of 2015 | Impact Analysis |

FOR MORE INFORMATION

The Division of Taxation is located on the first floor of the Powers Building, at One Capitol Hill, diagonally across from the Smith Street entrance of the State House. The Division is typically open to the public from 8:30 a.m. to 3:30 p.m. business days. Obtain forms and instructions at any time, day or night, through the Division of Taxation's website: <http://www.tax.ri.gov/taxforms/>. The main phone number is (401) 574-8829. (For questions about personal income tax, choose option # 3.) To see a list of phone numbers and email addresses to various sections within the agency, use the following link: <http://www.tax.ri.gov/contact/>.

The Division of Taxation cannot directly respond to taxpayer inquiries via social media, such as Twitter and Facebook, because of State statutes protecting taxpayer confidentiality. For the same reason, individual taxpayer inquiries cannot be directly addressed when made through traditional media, such as TV stations and talk-show programs. The Division recommends using the contact information listed in this Advisory – including the email address, phone number, and office visit information. The Division also recommends checking the “Where’s My Refund?” interactive online tool: <https://www.ri.gov/taxation/refund/>.