



Rhode Island Department of Revenue

Division of Taxation

ADV 2021-41
TAX ADMINISTRATION

ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS
NOVEMBER 3, 2021

New webpage has details on tax treatment of PPP loans

Division also posts FAQs, forms, and instructions to help businesses and others

PROVIDENCE, R.I. – The Rhode Island Division of Taxation has created a webpage that will serve as a storehouse for information about the Rhode Island tax treatment of Paycheck Protection Program (PPP) loan forgiveness.

“This is an easily accessible resource for businesses, tax professionals, and others who want to find out the latest information about the taxation of PPP loans,” said Rhode Island Tax Administrator Neena Savage. “It is part of our continuing effort to provide taxpayer-friendly and business-friendly services.”



The webpage is available via the following link: <http://www.tax.ri.gov/PPPLoans/index.php>. The webpage already includes the following:

- A new publication that offers answers to frequently asked questions (FAQs) about the Rhode Island tax treatment of PPP loans: <https://go.usa.gov/xegf2>.
- Form RI-PPP, which taxpayers will use to report the amount of PPP loan forgiveness in 2020 that is treated as income for Rhode Island tax purposes, and the amount of any tax due. For the entity version: <https://go.usa.gov/xegx9>. For the individual version: <https://go.usa.gov/xegxR>.

The Division has also begun mailing the form and related information to affected taxpayers. The completed form is due on or before December 15, 2021. The Division encourages filers to include payment with the completed form. However, under the law, no penalty or interest will apply if the tax is paid in full on or before March 31, 2022. “Although taxpayers have until March 31, 2022, to make payment, it’s a good idea to make the payment as soon as possible, so as to avoid any confusion that may arise during the coming filing season,” Savage said.

In general, under recently enacted Rhode Island legislation, if the amount of PPP loan forgiveness for 2020 exceeds \$250,000, the increment above \$250,000 must be included in income for Rhode Island tax purposes. For more information, see the Division’s new webpage: <http://www.tax.ri.gov/PPPLoans/index.php>.

The Rhode Island Division of Taxation has normal operating hours of 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <http://www.tax.ri.gov/contact>
