Rhode Island Department of Revenue
Division of Taxation

“Seminar for Tax Preparers” - November 16, 2021, online
Agenda

- Update on status of Division of Taxation; what’s ahead
- Tax treatment of Paycheck Protection Program (PPP) loan forgiveness amounts; PTE
- Personal income tax: filing season 2022, updates and reminders
- Real estate conveyance tax; sales permits; updates and reminders
- What’s new with the taxpayer portal; change involving other online payment method
- Sales exempt certificates; nonresident contractors; managed audits
- Closing remarks
Tax Administrator’s Welcome and Opening Remarks

Neena Savage
Rhode Island Tax Administrator
Tax Administrator’s Welcome and Opening Remarks

- Update on status of Division of Taxation
- What’s ahead:
  - Focus on Taxpayer Experience/Customer Service
  - New Website
  - Taxpayer Portal
  - Business Friendly Initiatives/Results
  - Challenges
PPP Loans Update

• Legislation passed as part of 2020 budget bill H6122Aaa included Paycheck Protection Program loan forgiveness income as taxable income
• To the extent the forgiveness exceeds $250,000
• Corporate Tax, Personal Income Tax and Bank Excise Tax
• Income is included in year of forgiveness
• Dedicated [website]
• Latest Advisory
• FAQ—latest update was 11/10/21
Tax Assessment and Review

Tax Year 2020

• No Interest if paid in full prior to 03/31/2022
• Mailing to taxpayers 11/01/2021 including PPP-Entity Form
• PPP-Entity Form or PPP-Individual Form due by 12/15/2021
• If choose not to take entity option
  o Each individual needs to be provided with the RI-PPP-Entity form with completed Schedule C
• Forms available on website
• Must be filed by mail or through drop box
Tax Assessment and Review

<table>
<thead>
<tr>
<th>Step</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule A: Calculation of Tax</td>
<td></td>
</tr>
<tr>
<td>1. Paycheck Protection Program Loan forgiveness amount</td>
<td>1</td>
</tr>
<tr>
<td>2. Paycheck Protection Program Loan forgiveness amount not subject to tax</td>
<td>2</td>
</tr>
<tr>
<td>3. Net Paycheck Protection Program Loan forgiveness amount</td>
<td>Subtract line 2 from line 1</td>
</tr>
<tr>
<td>4. Report Adjusted Taxable Income from RI-1120C, RI-1120S, or RI-1065, line 4</td>
<td>4</td>
</tr>
<tr>
<td>5. New adjusted taxable income</td>
<td>Add lines 3 and 4</td>
</tr>
<tr>
<td>6. Apportionment Ratio</td>
<td>6</td>
</tr>
<tr>
<td>7. Apportioned adjusted taxable income</td>
<td>7</td>
</tr>
<tr>
<td>8. Tax: Multiply line 7 by the applicable tax rate - C-Corp 7.0%, All others 5.99%</td>
<td>8</td>
</tr>
<tr>
<td>9. Tax due on original return</td>
<td>9</td>
</tr>
<tr>
<td>10. Additional Rhode Island Credits from RI Schedule B-CR. Do not include any amount used on original return</td>
<td>10</td>
</tr>
<tr>
<td>11. Tax due on taxable portion of the PPP Loan Forgiveness amount. Subtract lines 9 and 10 from line 8</td>
<td>11</td>
</tr>
</tbody>
</table>

Schedule B: Election

Are you electing to have the member(s)/partner(s) of the entity receiving the PPP Loan Forgiveness file individually claiming the applicable apportioned share of the taxable portion of the PPP Loan Forgiveness amount? Yes or No.

If yes, do not pay the tax due on line 10 and complete the table in Schedule C on page 2 with the information for each member/partner of the entity. ALL INFORMATION IS REQUIRED. OTHERWISE, THE ENTITY WILL BE REQUIRED TO PAY THE TAX DUE.
## Tax Assessment and Review

**2020 Form RI-PPP - Entity**

Paycheck Protection Program Tax Return for an Entity

### Schedule C - Member(s)/Partner(s) Information

If you checked yes in Schedule B, Schedule C must be filled out completely. You must also provide each member/partner with their individual information so each one may complete Form RI-PPP - Individual.

<table>
<thead>
<tr>
<th>Column A</th>
<th>Column B</th>
<th>Column C</th>
<th>Column D</th>
<th>Column E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Complete SSN</td>
<td>Taxable portion of PPP Loan forgiveness amount from page 1, line 3</td>
<td>Ownership Percentage</td>
<td>Individual’s Share of the Taxable PPP Loan forgiveness amount (Col C ( \times ) Col D)</td>
</tr>
</tbody>
</table>

Totals for Column D and Column E only:
Column D should total 100% and Column E should the amount from page 1, line 7.

**INSTRUCTIONS**
**Tax Assessment and Review**

### 2020 Form RI-PPP - Individual
Paycheck Protection Program Tax Return for an Individual

**State of Rhode Island Division of Taxation**

<table>
<thead>
<tr>
<th>Your social security number</th>
<th>Spouse's social security number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your first name</td>
<td>MI</td>
</tr>
<tr>
<td>Spouse's name</td>
<td>MI</td>
</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>City, town or post office</td>
<td>State</td>
</tr>
</tbody>
</table>

**FILING STATUS**

Check one

<table>
<thead>
<tr>
<th>Single</th>
<th>Married filing jointly</th>
<th>Married filing separately</th>
<th>Head of household</th>
<th>Qualifying widow(er)</th>
</tr>
</thead>
</table>

**INCOME, TAX AND CREDITS**

1. Modified Federal AGI from RI-1040 or RI-1040NR, line 3
2. Taxable portion of Paycheck Protection Program Loan Forgiveness amount (see below)
3. Adjusted Modified Federal AGI: Add lines 1 and 2
4. RI Standard Deduction from left. If line 3 is over $207,700 see Standard Deduction Worksheet
5. Subtract line 4 from line 3. If zero or less, enter 0
6. Enter # of exemptions from RI Sch E, line 5 in box, multiply by $4,150 and enter result on line 6. If line 3 is over $207,700, see Exemption Worksheet
7. RI TAXABLE INCOME: Subtract line 6 from line 5. If zero or less, enter 0
8. RI income tax from Rhode Island Tax Table or Tax Computation Worksheet
9. Total RI Tax from RI-1040, line 13a or RI-1040NR, line 16a
10. Additional Rhode Island Credits from Schedule CR. Attach Schedule CR and documentation.
11. Amount due. Subtract lines 9 and 10 from line 8

**Note:** For line 2 - Taxable portion of Paycheck Protection Program Loan Forgiveness amount - enter your individual share of the Taxable portion of the Paycheck Protection Program Loan Forgiveness amount received by the pass-through entity of which you are a member or partner. This amount comes from Form RI-PPP - Entity, Schedule C, Column E.
PPP Tax Year 2021

- PPP loan forgiveness income will be included in original tax filing
  - C- Corp-Addition on Schedule C of RI-1120C
  - S- Corp-Addition on Schedule C of RI-1120S
  - LLC, LP, LLP, Partnership--Addition on Schedule C of RI-11065
  - Individual-Addition modification on Schedule M of RI-1040 or RI-1040NR
Pass-through Entity Tax

• Effective 07/01/19
• Tax payments on behalf of residents and non-residents
• Income tax calculated at 5.99% of RI source income
• BUS-EST used to make estimated payments
• Definition of a pass-through entity:
  "Pass-through entity" means a corporation that for the applicable tax year is treated as an S Corporation under I.R.C. 1362(a) (26 U.S.C. § 1362(a)), or a general partnership, limited partnership, limited liability partnership, trust, limited liability company or unincorporated sole proprietorship that for the applicable tax year is not taxed as a corporation for federal tax purposes under the state’s regulations.
• Modification required on Schedule M of RI-1040 to add back tax
Pass-through Entity Tax

- Cash vs Accrual basis discussion
  - Credit vs Modification
  - Issuance of 1099Es and return filings

- 2021 Updates
  - Cash basis only subtraction modification for 2021
  - Addition modification to RI-1120S and RI-1065 Schedule C
  - Updates to 1099E
Tax Assessment and Review

Pass-through Entity Tax
Tax Assessment and Review

Carlita Annicelli
Chief Revenue Agent
Income Tax Section
Tax Assessment and Review

**2021 Filing Season**

- 480K Refunds issued as of 11/08/2021
- 511.6K at this point last year
- $334M which is $22M less than last year
- 51,715 calls, 825 walk-ins, 12,040 emails as of 11/08/2021
Tax Assessment and Review

2021 Filing Season

• Inflationary changes
  o Personal Exemptions $4,250
  o Standard Deduction
    ▪ Single $9,050
    ▪ Joint $18,100
    ▪ HOH $13,550
  o Phaseout $210,750 - $234,750
  o Social Security Amounts
    ▪ Single $88,950  Joint $111,200
  o Pension and Annuity
    ▪ Single $87,200  Joint $109,050
• Property Tax Relief Increase from $400 to $415
Discussion of Extensions

• **Extension of Time to File (280-RICR-20-55-2)**

• Extension of time to file; Not time to pay

• Definition of a Proper Estimate
  - “Proper estimate” means a Rhode Island extension form filed by the regular due date which declares at least eighty percent (80%) of the tax due for the taxable year.

• Extension must be filed on time and have “proper estimate” to be considered valid

• Federal extension is acceptable if no payment is due on 04/15

• Regulation covers “Reasonable Cause” for Waiver of Late Filing Addition to the Tax
Individual Mandate Update

- Rhode Island's health coverage mandate took effect January 1, 2020
- Form IND-HEALTH - Individual Health Insurance Mandate Form
- If you are subject to the penalty you will need to complete:  
  **2021 Shared Responsibility Worksheet**
- COVID-19 Exemption no in effect
- [http://www.tax.ri.gov/healthcoveragemandate/index.php](http://www.tax.ri.gov/healthcoveragemandate/index.php)
- **Tips for Health Insurance Mandate**
- Taxpayer subject to the mandate without health insurance
  - Single taxpayers would pay $695-$3,540
  - Family of five (2 adults, 3 children) below 200K $2,433-$5,000
  - Family of five (2 adults, 3 children) 200K to 400K $2,433-$10,000
  - Family of five (2 adults, 3 children) above 400K $2,433-$17,700
- Number of months without insurance could change amounts
- Open Enrollment is 11/01/21 – 01/31/22 ([Open Enrollment - HealthSource RI](http://www.healthsource ri.gov))
# Individual Mandate Example Calculation

<table>
<thead>
<tr>
<th>Flat Dollar Amount Method</th>
<th>Example 1</th>
<th>Example 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months for Adults</td>
<td>15 x $57.92</td>
<td>$868.80</td>
</tr>
<tr>
<td>Months for Children</td>
<td>0 x $28.96</td>
<td>$ -</td>
</tr>
<tr>
<td>Line 2</td>
<td>$868.80</td>
<td>$888.80</td>
</tr>
<tr>
<td>Line 3</td>
<td>Greater of line 2 or $2,085</td>
<td>$868.80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of Income Method</th>
<th>Example 1</th>
<th>Example 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mod AGI</td>
<td>$250,000.00</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>Fed Stand Deduction</td>
<td>$25,100.00</td>
<td>$25,100.00</td>
</tr>
<tr>
<td>Line 6</td>
<td>$224,900.00</td>
<td>$74,900.00</td>
</tr>
<tr>
<td>2.5% of income household members</td>
<td>$5,622.50</td>
<td>$1,872.50</td>
</tr>
<tr>
<td>Members x 12</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Penalty months</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Percentage</td>
<td>0.3125</td>
<td>0.3125</td>
</tr>
<tr>
<td>Income Method Penalty</td>
<td>$1,757.03</td>
<td>$585.16</td>
</tr>
<tr>
<td>Greater of Flat vs Income</td>
<td>$1,757.03</td>
<td>$868.80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bronze Plan Method</th>
<th>Example 1</th>
<th>Example 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months subject to Penalty</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Months x $295</td>
<td>$4,425.00</td>
<td>$4,425.00</td>
</tr>
<tr>
<td>Max Amount for household</td>
<td>$13,440.00</td>
<td>$13,440.00</td>
</tr>
<tr>
<td>Lesser of Calc vs Max</td>
<td>$4,425.00</td>
<td>$4,425.00</td>
</tr>
<tr>
<td>Individual Mandate Penalty (lesser)</td>
<td>$1,757.03</td>
<td>$868.80</td>
</tr>
</tbody>
</table>
Tax Assessment and Review

Individual Mandate Tips

Tip # 1: Check the box

Tip # 2: Fill out the form
EITC Reminders

- The Rhode Island EITC is in addition to the Federal EITC. Rhode Island EITC rate is a percentage of the Federal EITC amount. 2015 = 10.0%; 2016 = 12.5%; 2017 = 15.00%; 2018-2021 = 15%;
- RI EITC is a refundable credit, which means the credit will be refunded to the taxpayer to the extent it exceeds the taxpayer’s tax liability.
- RI conforms to federal eligibility and income thresholds.
- RI tax preparer’s regulation includes guidance on due diligence requirements and records retention for EITC and RI-1040H property tax credit.
- [Tax Preparer's Regulation 280-RICR-20-55-4](#)
- If credit ineligibility is suspected, we may need to take extra steps to validate the EITC claim. (Example: requesting documentation of income and expenses)
- License vs income reporting
- Returns without expenses
- Documentation for income reporting
Property Tax Relief Reminders

- Maximum Credit for 2020 = $415.00
- Household income (taxable and nontaxable) = $30,000 or less
- One credit per household
- Home or dwelling unit must be subject to property tax
- Municipal owned public housing is not subject to property tax, therefore credit is disallowed
- Nonresidents do not qualify, full-year Rhode Island residents only
- Must be age 65 or older or disabled (receiving social security disability, SSI or SSDI qualifies)
- Responses to previous questions [RI-1040H FAQ](#)
Property Tax Relief Reminders

- What is household income?

14 Wages, salaries, tips, etc. from Federal Form 1040, line 1

15 Interest and dividends (taxable and nontaxable) from Federal Form 1040, lines 2a, 2b and 3b

16 Taxable refunds, credits or offsets of state and local income taxes from Federal Form 1040, Sch 1, line 1

17 Alimony received from Federal Form 1040, Schedule 1, line 11

18 Business income (or loss) from Federal Form 1040, Schedule 1, line 12

19 Sale or exchange of property from Federal Form 1040, Schedule 1, lines 13 and 14

20 IRA distributions, and pensions and annuities from Federal Form 1040, line 4a

21 Rental real estate, royalties, S corps, trusts, etc. from Federal Form 1040, Schedule 1, line 17

22 Farm income or loss from Federal Form 1040, Schedule 1, line 18

23 Unemployment compensation from Federal Form 1040, Schedule 1, line 19

24 Social security benefits (including Medicare premiums) taxable and nontaxable, and Railroad Retirement Benefits from Federal Form 1040, line 5a

25 Other income from Federal Form 1040, Schedule 1, line 21
Nonresident Real Estate Withholding updates

- Referred to as “71.3 Withholding”
- Please make every attempt to adhere to the 20-day rule, regarding submissions
  - Especially if mailing, most mail is received 3 to 5 days after mailed
  - Do not submit forms with a past date
  - New Email Criteria – Steps to Expedite Service
    - Email: tax.nonres713@tax.ri.gov or fax to 401-574-8919
    - Always include the name of the seller and the property address
    - Remittances that require payment cannot be emailed
    - Complete forms entirely
- Important Links
  - http://www.tax.ri.gov/taxforms/nrrewh.php
  - http://www.tax.ri.gov/Advisory/ADV_2020_40.pdf -- Advisory regarding electronic signature submission
Income Requests

- **Penalty Waivers**
  - Requests should be in writing and all balances should be paid in full less the penalty
  - Allow at least 30 days to process
  - Notification will be sent to the taxpayer once processed

- **Requests for Information**
  - Responses should be received within 20 days of request
  - Documentation can be mailed, emailed, faxed, or submitted through drop box
  - Email or fax encouraged, as it allows for proof of receipt
  - Once response is submitted, please allow 5 business days before checking the status
  - Only send copies, we are not responsible for originals sent via mail
Tax Assessment and Review

Theriza Salib-Iafrate
Chief Revenue Agent
Excise and Estate Tax Section
Sales Tax Permit Fee Eliminated

- Effective for July 1, 2022
  - The submission of an application to make sales are retail is still required but at no charge for period after 07/01/22. The $10 fee is still required for new permit applications prior to 07/01/22
  - Permit renewal forms are still required but the fee is not
  - Renewal forms are still due by 02/01/22 and each February 1st there after
  - Renewal forms will still be collected and are still part of the Division’s enforcement actions such as the Sales Block
- The requirement to collect, file and pay sales tax remains in effect
- The requirement to file an annual reconciliation, on or before January 31 of each year, remains in effect
Sales Tax Annual Reconciliation Forms

DO NOT use prior years forms to file for 2021

- Due Date is 01/31/2022

- With retirement of ri.gov as of 01/04/22, only electronic option to file is Taxation portal at www.taxportal.ri.gov

- Still 3 types—must use the correct version for your business
  - T-204A: Class A alcohol ONLY (commonly held by liquor stores)
  - T-204W: Writers, Artists, Composers ONLY
  - T-204R: ALL other filers. No new fields—Page 2 must be completed
Estate Tax Update

• Credit has increased for decedents dying on or after January 1, 2022

• Old credit = $70,490
• New credit = $74,300

• Thus, threshold has increased for 2022. In general, a net taxable estate whose value is below the threshold amount will escape Rhode Island estate tax.

• Estate threshold amount for 2022 will be $1,654,688.

• Recent Advisory
Estate Tax Update

• New form-RI-706 Estate Tax return
  o Combines the RI-100 and RI-100A into one form
  o Estates greater than $1.3M need to complete entire return
  o Estates below $1.3M need to complete pages 1 - 4.
  o As of 01/01/2022, all returns with Date of Death on or after 01/01/2015
  o $50 filing fee still applies
Tax Assessment and Review
Current vs. Jan. 1, 2022 Real Estate Conveyance Tax Law

- Under the current law, for sales over $100, the tax is equal to $2.30 for each $500.00 or fractional part thereof that is paid for the purchase of real estate or the interest in an acquired real estate company.
- Current formula: \((\text{Total Sales Price} \div 500) \times 2.30 = \text{Tax Due}\)
- 1/1/2022: an additional tax of $2.30 per $500 for amounts over $800,000 is due.
- 1/1/2022 formula: \((\text{Total Sales Price} \div 500) \times 2.30 \text{ plus } (\text{Amount over } 800K \div 500) \times 2.30 = \text{Tax Due}\)
**Current vs. Jan.1, 2022 Real Estate Conveyance Tax Law**

### REAL ESTATE CONVEYANCE TAX CALCULATION

<table>
<thead>
<tr>
<th>Formula Type</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Formula</td>
<td>(Total Sales Price ÷ $500) x $2.30 = Tax Due</td>
</tr>
<tr>
<td>Jan. 1, 2022 Formula</td>
<td>(Total Sales Price ÷ $500) x $2.30 plus (Amount over $800K ÷ $500) x $2.30 = Tax Due</td>
</tr>
</tbody>
</table>

### REAL ESTATE CONVEYANCE TAX DISTRIBUTION

<table>
<thead>
<tr>
<th>TAX</th>
<th>DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of the $2.30 per $500 of Tax Due on the Total Sales Price</td>
<td>$1.10 to municipality (retained) (47.83%)</td>
</tr>
<tr>
<td></td>
<td>$0.60 for State Use</td>
</tr>
<tr>
<td></td>
<td>$0.30 for Distressed Communities Relief Fund</td>
</tr>
<tr>
<td>Effective Jan. 1, 2022, of the $2.30 per $500 of Tax Due on the</td>
<td>$0.30 to Housing Resources Commission</td>
</tr>
<tr>
<td>amount greater than $800,000</td>
<td>$2.30 Housing Production Fund</td>
</tr>
</tbody>
</table>
• New formula also applies to the CVYT-2 Acquired Real Estate Companies
• What is an Acquired Real Estate Company
  o Acquired Real Estate Company Advisory
  o R.I. Gen. Law § 44-25-1 as amended was effective July 1, 2015
  o Change in ownership of a company who is primarily engaged in holding, selling or leasing real estate.
  o For this requirement you must “real estate company” and an “acquired real estate company” in order to be subject to the tax.
  o Statutory definitions on next slide for reference
To determine if you are a “real estate company” you must be a corporation, limited liability company, partnership, or other legal entity which meets 1 or 2 below:

1. Is primarily engaged in the business of holding, selling or leasing real estate, where 90% or more of the ownership of said real estate is held by 35 or fewer persons and which company either: (a) derives 60% or more of its annual gross receipts from the ownership or disposition of real estate; or, (b) owns real estate the value of which comprises 90% or more of the value of the entity’s entire tangible asset holdings exclusive of tangible assets which are fairly transferrable and actively traded on an established market. If you meet 1 (a) or 1 (b) above, you are primarily engaged in real estate and are considered a “real estate company.” OR

2. 90% or more of the ownership interest in such entity is held by 35 or fewer persons and the entity owns as 90% or more of the fair market value of its assets a direct or indirect interest in a real estate company. An indirect ownership interest is an interest in an entity 90% or more of which is held by 35 or fewer persons and the purpose of the entity is the ownership of a real estate company.

An “acquired real estate company” is defined in the law as: a real estate company that has undergone a change in ownership interest if: (i) such change does not affect the continuity of the operations of the company; and (ii) the change, whether alone or together with prior changes has the effect of granting, transferring, assigning or conveying or vesting, transferring directly or indirectly, 50% or more of the total ownership in the company within a period of three (3) years. If you meet (i) and (ii) above, you are considered an acquired real estate company.
# What’s New: Forms

**State of Rhode Island Division of Taxation**

**Form CVYT-2**

**Acquired Real Estate Company Conveyance Tax Return**

<table>
<thead>
<tr>
<th>Acquired real estate company</th>
<th>Federal employer identification number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Date of acquisition</td>
</tr>
<tr>
<td>Address 2</td>
<td></td>
</tr>
<tr>
<td>City, town or post office</td>
<td>State</td>
</tr>
</tbody>
</table>

*Answer the following regarding your corporation, limited liability company, partnership or other legal entity:*
Answer the following regarding your corporation, limited liability company, partnership or other legal entity:

Schedule A - Determination of a Real Estate Company

1. Is primarily engaged in the business of holding, selling or leasing real estate, where 90% or more of the ownership of said real estate is held by 35 or fewer persons and which company either (i) derives 60% or more of its annual gross receipts from the ownership or disposition of real estate or (ii) owns real estate the value of which comprises 90% or more of the value of the entity's entire tangible asset holdings exclusive of tangible assets which are fairly transferable and actively traded on an established market; or

2. 90% or more of the ownership interest in such entity is held by 35 or fewer persons and the entity owns as 90% or more of the fair market value of its assets a direct or indirect interest in a real estate company.

If you answer "YES" to 1 or 2, you meet the definition of a real estate company under R.I. Gen. Laws § 44-25-1. Continue to Schedule B to determine if you meet the definition of an acquired real estate company under R.I. Gen. Laws § 44-25-1.

Schedule B - Determination of an Acquired Real Estate Company

1. Has the real estate company undergone a change in ownership interest where such change has not affected the continuity of the operation of the company?

2. Has the real estate company undergone a change in ownership interest where such change has the effect of granting, transferring, assigning or conveying or vesting, 50% or more of the total ownership in the company within a period of three (3) years?

If you answer "YES" to 1 and 2, you meet the definition of an acquired real estate company and are subject to the conveyance tax under R.I. Gen. Laws § 44-25-1.
What’s New: Forms

Schedule C - Tax and Remittance Computation

For All Transactions:

1. Consideration paid for the acquisition of the real estate company. If $100 or less, enter zero on line 7.
2. Divide line 1 by $500.00. Round up to the next whole number.

For Transactions over $800,000.00:

4. Enter the amount of consideration paid for the acquisition of the real estate company that exceeds $800,000.
5. Divide line 4 by $500.00. Round up to the next whole number.
6. Additional conveyance tax due on transactions exceeding $800,000. Multiply line 5 by $2.30.
What’s New: Forms

Schedule D - Itemized Real Estate Assets

Include all of the assets held by the real estate company which is becoming the acquired real estate company.

In order to get the Allocation Percentage (Column E) for each type of real estate, divide the amount from Column D - Total Assessed Value by the Total Assessed Value of all of the real estate owned by the acquired real estate company from line 2 below.

Use Columns D and E only if the acquired real estate company owns property located in more than one municipality.

<table>
<thead>
<tr>
<th>1</th>
<th>Column A</th>
<th>Column B</th>
<th>Column C</th>
<th>Column D</th>
<th>Column E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Type of Real Estate</td>
<td>City/Town Where Real Estate is Located</td>
<td>Tax Assessor’s Description (e.g. Plat / Lot #)</td>
<td>Total Assessed Value including any liens and encumbrances</td>
<td>% of Company’s Real Estate Sold</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Total assessed value of real estate held by the acquired real estate company. Add all amounts listed in Column D.
What’s New: Forms

Schedule D - Itemized Real Estate Assets

Include all of the assets held by the real estate company which is becoming the acquired real estate company.

In order to get the Allocation Percentage (Column E) for each type of real estate, divide the amount from Column D - Total Assessed Value by the Total Assessed Value of all of the real estate owned by the acquired real estate company from line 2 below.

Use Columns D and E only if the acquired real estate company owns property located in more than one municipality.

<table>
<thead>
<tr>
<th>1</th>
<th>Column A</th>
<th>Column B</th>
<th>Column C</th>
<th>Column D</th>
<th>Column E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Type of Real Estate</td>
<td>City/Town Where Real Estate is Located</td>
<td>Tax Assessor’s Description (e.g. Plat / Lot #)</td>
<td>Total Assessed Value including any liens and encumbrances</td>
<td>% of Company’s Real Estate Sold</td>
</tr>
<tr>
<td>2</td>
<td>Total assessed value of real estate held by the acquired real estate company. Add all amounts listed in Column D.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Greetings

Brianna Cherry
Chief Business Management Officer,
Taxpayer Experience Section
How do I file/pay? The Division of Taxation Taxpayer Portal

Step 1: Visit www.taxportal.ri.gov and create a username and password.
How do I file/pay? The Division of Taxation Taxpayer Portal

**Step 2:** Get PIN from Taxation (call us at 401-574-8484 or email taxportal@tax.ri.gov).

**Step 3:** Log in using name and password.
Step 4: Link User ID to Taxation using PIN.
Step 5: View your linked taxpayer account.

<table>
<thead>
<tr>
<th>Account Type</th>
<th>ID</th>
<th>Address</th>
<th>Last Activity Date</th>
<th>Current Balance</th>
<th>Last Period Filed</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADMIN REAL ESTATE AND MOBILE HOME</td>
<td>2-0000-4707</td>
<td>100 MAIN ST, PROVIDENCE, RI 02905 UNITED STATES</td>
<td>10/07/2021</td>
<td>$1,288,779.80</td>
<td>10/01/2021</td>
</tr>
<tr>
<td>LITTER LOC</td>
<td>2-0279-7238</td>
<td>100 MAIN ST, PROVIDENCE, RI 02905 UNITED STATES</td>
<td></td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>LITTER LOC</td>
<td>2-0279-7238</td>
<td>900 PHOENIX AVE, CANTON, IN 46221-1132 UNITED STATES</td>
<td></td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>MEALS AND BEVERAGE FILING</td>
<td>2-0292-1302</td>
<td>100 MAIN ST, PROVIDENCE, RI 02905 UNITED STATES</td>
<td></td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>SALES FILING</td>
<td>2-0000-9302</td>
<td>100 MAIN ST, PROVIDENCE, RI 02905 UNITED STATES</td>
<td></td>
<td>$0.00</td>
<td></td>
</tr>
</tbody>
</table>

Showing 1 to 5 of 14 entries

Outstanding Debts

This taxpayer has no outstanding debt.
How do I file/pay? The Division of Taxation Taxpayer Portal

**Step 6:** See all taxpayers linked to your Portal user ID.
How do I file/pay? The Division of Taxation Taxpayer Portal

**Step 7**: Navigate to Online Transaction, File a Form.
How do I file/pay? The Division of Taxation Taxpayer Portal

Step 8: Complete the required dropdowns and select Next.
How do I file/pay? The Division of Taxation Taxpayer Portal

Step 9: Complete all information needed and select Calculate.

- Complete each applicable tab
How do I file/pay? The Division of Taxation Taxpayer Portal

**Step 10:** Add attachment by Navigating to Attachments tab and select Add Files. Select file and choose one Attachment Type from dropdown. Select Calculate. Once form is complete select Submit.
How do I file/pay? The Division of Taxation Taxpayer Portal

**Step 11:** On this page you are able to print the return, select Next.

Summary Information

Please allow a minimum of 72 hours for this document to be processed before contacting the Division of Taxation with any questions. The Penalty and Interest amounts listed below are forecasted amounts that may change after your return is reviewed. Payments that were previously paid to the affected return period may not have been deducted from the balance shown below until your return is reviewed.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Tax</td>
<td>$543.13</td>
</tr>
<tr>
<td>Foreclosed Penalty Amount Due</td>
<td>$0.00</td>
</tr>
<tr>
<td>Foreclosed Underpayment Interest Due</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total Amount Due</td>
<td>$543.13</td>
</tr>
</tbody>
</table>

**Step 12:** You have now submitted your form. On this page you can print and/or make a payment. To make a payment select Make a Payment Now.

Enter Tax Return - Confirmation

Return was submitted successfully.
If you would like to include a payment with your return, click the [Make a Payment Now] button. Otherwise, click [Return Home].

The confirmation number is: FR0000336640
Please print or save this number for future reference.
How do I file/pay? The Division of Taxation Taxpayer Portal

**Step 13:** Complete Payment Amount and Payment Method, select Next.

<table>
<thead>
<tr>
<th>Form Payment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Form Details</strong></td>
<td></td>
</tr>
<tr>
<td>Taxpayer Name</td>
<td>CITY OF ANYTOWN USA</td>
</tr>
<tr>
<td>Account ID</td>
<td>ADMIN/REAL ESTATE AND MOBILE HOME</td>
</tr>
<tr>
<td>Account ID</td>
<td>200004707</td>
</tr>
<tr>
<td>Period End Date</td>
<td>10/31/2021</td>
</tr>
<tr>
<td>Amount Due</td>
<td>$543.13</td>
</tr>
<tr>
<td>Return Confirmation #</td>
<td>FR0003336640</td>
</tr>
<tr>
<td>Total Tax</td>
<td>$543.13</td>
</tr>
<tr>
<td>Forecasted Penalty Amount Due</td>
<td>$0.00</td>
</tr>
<tr>
<td>Forecasted Underpayment Interest Due</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total Amount Due</td>
<td>$543.13</td>
</tr>
<tr>
<td>Payment Amount</td>
<td>$</td>
</tr>
<tr>
<td>Payment Method</td>
<td></td>
</tr>
<tr>
<td>* Indicates required field</td>
<td></td>
</tr>
</tbody>
</table>
How do I file/pay? The Division of Taxation Taxpayer Portal

Step 14: Complete the required information and select Submit.
• You can save your banking information for future use.
• You can make payments for a future date.

Schedule Electronic Payment

- Use an electronic payment directly from your bank account.

Additional Penalty and Interest may accrue if payment is not made as of 10/8/2021.

Taxpayer Name: CITY OF NEWPORT, USA
Payment Amount: $548.13

- Use an existing Bank Account

- Add New Bank Account

- Bank Routing Number
- Bank Account Number
- Confirm Bank Account Number
- Bank Account Type
- Bank Account Holder Name
- Effective Date: 10/9/2021

* indicates required field

If you would like to make the bank account your default for future payments, enter a "Hostname".
How do I file/pay? The Division of Taxation Taxpayer Portal

Step 15: Confirm payment by selecting Confirm. Payment Confirmation page will give you details of the payment.
How do I file/pay? The Division of Taxation Taxpayer Portal

You can also make a payment without filing a return.

**Step 1:** Navigate to Online Transactions, Make a Payment.
How do I file/pay? The Division of Taxation Taxpayer Portal

**Step 2:** Select Account Period Payment from Type of Payment. Select Next.

**Step 3:** Complete the required dropdown fields. Select Next. Filing Period dropdown will display all balances.
Step 4: Complete Payment Amount and select from dropdown Payment Method. Select Next.

Refer to Steps 14 & 15 from previous slides to complete payment.
How do I file/pay? The Division of Taxation Taxpayer Portal

You may view Transaction History from Online Transactions, Saved and Submitted Items.

From this page you can view Incomplete Documents, Transaction History and Scheduled Payments. You may also cancel any scheduled payments before 4:00pm.
How do I file/pay? The Division of Taxation Taxpayer Portal

To view your Inbox, Navigate to Message Center, select View Inbox.

All messages will be shown here.
Why is the Taxpayer Portal the best way to file/pay?

➢ It’s free!
  ✓ Save money on printing, shipping, and handling

➢ “One Stop” concept for Taxation compliance
  ✓ Allows you to file and pay all your taxes, in addition to renewing your licenses and viewing your notices, from a single website

➢ View your prior returns and payments
  ✓ Quick, accurate, and secure ability to view prior filings with Taxation

➢ Advance Payment scheduling
  ✓ You can schedule payments up to 364 days in advance on the Portal

➢ Account Balances give peace of mind that you are compliant
  ✓ Check your compliance with Taxation at any time and gain transparency into any delinquencies or debts
Why is the Taxpayer Portal the best way to file/pay?

➢ Effective January 4, 2022, tax payments can no longer be made using the website which uses the following web address: 
  https://www.ri.gov/taxation/business/index.php  (It had been used for certain business payments)

➢ Instead, online debit payments may only be made via the Division’s Taxpayer Portal, which can be accessed via the following address: 
  https://taxportal.ri.gov

➢ To get a portal account or for questions, please call the Division at (401) 574-8484.

➢ Please activate your Taxpayer Portal account as soon as possible.
Tips!

➢ View the **Portal User Guide**

➢ View the *HELP* icons (?) for detailed instructions and explanations

➢ Use the *Payment Search* feature to view payment history

➢ Unsure if the entity is in compliance with the RI Division of Taxation?
  • Select the *Letter of Good Standing Request* option and use the compliance check feature

➢ Forgot your password?
  • Select the *Forgot Password* feature
Susanna Coburn
Chief, Audit & Investigation
Sales Tax Exempt Organizations


  - Charitable, educational, and religious organizations. From the sale to, as in defined in this section, and from the storage, use, and other consumption in this state, or any other state of the United States of America, of tangible personal property by hospitals not operated for a profit; "educational institutions" as defined in subdivision (18) not operated for a profit; churches, orphanages, and other institutions or organizations operated exclusively for religious or charitable purposes; interest-free loan associations not operated for profit; nonprofit, organized sporting leagues and associations and bands for boys and girls under the age of nineteen (19) years; the following vocational student organizations that are state chapters of national vocational student organizations: Distributive Education Clubs of America (DECA); Future Business Leaders of America, Phi Beta Lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers of America/Home Economics Related Occupations (FHA/HERD); Vocational Industrial Clubs of America (VICA); organized nonprofit golden age and senior citizens clubs for men and women; and parent-teacher associations; and from the sale, storage, use, and other consumption in this state, of and by the Industrial Foundation of Burrillville, a Rhode Island domestic nonprofit corporation.
Sales Tax Exempt Organizations

Link to Application

Microsoft Word - Incentive and Credit Overview for DLT (ri.gov)
Sales Tax Exempt Organizations

Sample of an “old” Certificate of Exemption
Sales Tax Exempt Organizations

• **R.I. Gen. Laws 44-18-30.1**

  • A fee of twenty-five dollars ($25.00) shall be paid by all organizations applying for a certificate of exemption from the Rhode Island sales and use tax under § 44-18-30(5)(i). The certificate of exemption shall be valid for four (4) years from the date of issue. All fees collected under this section shall be allocated to the tax administrator for enforcement and collection of all taxes. All certificates issued prior to the effective date of this section shall expire four (4) years from the effective date of this section.
Sales Tax Exempt Organizations

**Link to Renewal Application**

ExemptOrgRen_v6_Layout_1 (ri.gov)
Sample of new, valid Certificate of Exemption
Nonresident Contractors

• R.I. General Law 44-1-6
  • Any person doing business with a nonresident contractor is required to withhold payment equal to three percent (3%) of the total contract price.

• R.I. Regulation 280-RICR-20-70-54
  • A nonresident contractor means, “one who does not maintain a regular place of business in this state. A regular place of business shall be deemed to mean and include any bona fide office (other than a statutory office), factory, warehouse or other space in this state at which the taxpayer is doing business in its own name in a regular and systematic manner, and which is continuously maintained, occupied and used by the taxpayer in carrying on its business through its regular employees regularly in attendance. A temporary office at the site of construction shall not constitute a regular place of business.”
Nonresident Contractors

• What should the person doing business with the nonresident contractor do?

• What is a Certificate of No Tax Due?

• How does a nonresident contractor request a Certificate of No Tax Due?
  • Link to form Request..pdf (ri.gov)
Nonresident Contractors

• What if a Certificate of No Tax Due is NOT provided by the Non-Resident contractor?
  • Link to form [NRCDeposit..pdf (ri.gov)]

Non-Resident Contractor Deposit

To: State of Rhode Island
Department of Revenue – Division of Taxation
One Capitol Hill, Providence, R.I. 02905-6800

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>IN DEPOSIT REQUIREMENT</td>
<td>$</td>
</tr>
</tbody>
</table>

Project: Name
Location: Street
City State Zip
Non-resident contractor: Name
Street
City State Zip
Contract amount on non-resident sub-contractor: $

In accordance with section 44-1-6 of the general laws of R.I., this assessment is being presented to you.

Request for hearing on this determination, stating reason therefore, in writing, must be made to the tax administrator within thirty days from date of this notice.

CREDITS RECEIVABLE

Check No:

MEMO Billing
Managed Audit

• What is a Managed Audit?

• What are the benefits?

• How do I apply?
  • Link to Application ManagedAuditApp_Layer1 (ri.gov)
  • Link to Brochure ManagedAuditBrochure_08112021.pdf (ri.gov)
Questions

Contact Us:

Audit & Investigation
(401)574-8962
Tax.Audit@tax.ri.gov
Closing Remarks

Neil Downing
Chief Revenue Agent
Welcome to Amanda

- Welcome to Amanda Tirocchi
- She has been appointed to newly created position: Internet Communications Specialist
- Extensive experience in the field, including for nonprofit organizations
- She will be handling social media, outreach, and other areas
Closing Remarks

Housekeeping

- Slides to be posted on website by the end of November 2021
- Thank you for seminar questions on Tax.Outreach@tax.ri.gov
- If PIT-related questions during filing season, use Tax.Assist@tax.ri.gov
- Sign up for our listserv to receive Division emails
- To sign up, email: Amanda.Tirocchi@tax.ri.gov and put “SUBSCRIBE” in the Subject field
Thank you to all the preparers who attended our seminar today.

Best wishes for filing season.