State of Rhode Island Division of Taxation

2021 RI-PTE

Pass-through Entity Election Tax Return

21113899990101

Federal employer identification number | Social security number

For the taxable year from MM/DD/2021 through MM/DD/YYYY

☐ Short Year ☐ Pro-Forma ☐ Cash Basis

☐ Address Change ☐ Amended Return ☐ Accrual

Name

Address 1

Address 2

City, town or post office | State | ZIP code

E-mail address | NAICS code

Entity type: ☐ LLC ☐ LLP ☐ LP ☐ Partnership ☐ SMLLC ☐ S-Corp ☐ Sole Proprietor ☐ Trust

1	Total Pass-through Entity Income apportioned to Rhode Island	1	
2	Percentage of the economic benefit received by each individual member in the entity	2	
3	Pass-through Entity income generated by the individuals. Multiply line 1 by line 2	3	
4	Individual Tax Rate 5.99%	4	5.99%
5	Pass-through Entity Election Tax. Multiply line 3 by line 4	5	
6a	Pass-through Entity Election Estimates made on Form BUS-EST plus any amount carried forward from the preceding year	6a	**ALL RI-1099Es MUST BE ATTACHED TO THIS RETURN**
6b	PTE Extension made on Form BUS-EXT, payments made on 2020 Form RI-PPP - Entity, and NRREWH payments (see instructions)	6b	
6c	Total Payments. Add lines 6a and 6b	6c	
7a	Amount Due. Subtract line 6c from line 5	7a	
7b	Enter the amount of underestimating interest due from Form RI-2220. (attach form) This amount should be added to line 7a or subtracted from line 8, whichever applies	7b	
7c	TOTAL AMOUNT DUE. Add lines 7a and 7b. Complete form BUS-V and send in with your payment ☹	7c	
8	AMOUNT OVERPAID. If Line 6c is LARGER than line 5, subtract line 5 from line 6c. If there is an amount due for underestimating interest on line 7b, subtract line 7b from line 8 ☺	8	
9	Amount of overpayment to be refunded	9	
10	Amount of overpayment to be applied to 2022 estimated tax	10	

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Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, it is true, accurate and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Authorized officer signature	Print name		Date	Telephone number
Paid preparer signature	**Print name**		**Date**	**Telephone number**
Paid preparer address	**City, town or post office**	**State**	**ZIP Code**	**PTIN**

May the Division of Taxation contact your preparer? YES ☐

Due on or before the 15th day of the 3rd month following the close of the taxable year

Revised 12/2021

Form RI-PTE - Pass-through Entity Election

GENERAL INFORMATION AND INSTRUCTIONS

For tax years beginning on or after January 1, 2019, a pass-through entity may elect to pay the state tax at the entity level at the rate of five and ninety-nine hundredths percent (5.99%).

If a pass-through entity elects to pay an entity tax under this subsection, the entity shall not have to comply with the provisions of § 44-11-2.2 regarding withholding on non-resident owners.

Using Form RI-1099E, the pass-through entity shall report the following information:

- The pass-through entity's identifying information - federal employer identification number, name and address;
- The pass-through entity's type;
- The accounting method used by the pass-through entity;
- If the pass-through entity has a year end date other than 12/31, enter the fiscal year dates;
- The pass-through entity member's identifying information - social security number, name and address;
- The pass-through entity member's percent of ownership;
- The pass-through entity member's pro rata share of the state income taxes paid by the entity. This is the amount that will be allowed as a state tax credit for the pass-through entity member on his or her personal income tax return using RI Schedule W; and
- The pass-through entity member's pro rata share of the state income tax payments made by the entity as an income (addition) modification to be reported by the pass-through entity member on his or her personal income tax return using RI Schedule M. The entity will report the modification based upon the basis of accounting. (See Determining the Amount of income Required to Be Reported by the Pass-Through Entity below)

Filing Form RI-PTE

Form(s) RI-1099E must be attached to Form RI-PTE, as well as to the personal income tax return(s) filed by the pass-through entity member(s). Credit will not be allowed for the pass-through entity election until all documentation has been received and until Form RI-PTE has been filed.

Mail your completed form and attachments to:

RI Division of Taxation
One Capitol Hill
Providence, RI 02908

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Determining the Amount of the State Tax Credit for the Pass-through Entity

State tax credit shall be the amount of tax paid by the pass-through entity, at the entity level, which is passed through to the owners, on a pro rata basis.

Regardless of the Accounting Method used by the pass-through entity making the pass-through entity election, the amount of tax paid by the pass-through entity is equal to the amount calculated for line 5 of Form RI-PTE. *NOTE: the tax amount must be paid in order to receive the credit.*

Determining the Amount of the State Tax Credit for the Pass-through Entity Member(s)

To determine the amount of state tax credit for the pass-through entity member(s), multiply the state tax credit from line 5 of Form RI-PTE by the precent of ownership for each pass-through entity member. This is the amount each pass-through entity member will report on RI Schedule W when filing Form RI-1040 or Form RI-1040NR.

Determining the Amount of Income Required to Be Reported by the Pass-through Entity

Cash Basis Pass-through Entity:
The amount required to be reported as income by the pass-through entity member(s) is the member's apportioned share of the total of payments made by the pass-through entity **DURING** the tax year of the return being filed.

For example, a calendar year ending pass-through entity makes four estimated tax payments on the following dates - April 15, June 15, September 15 and December 15. The cash basis pass-through entity also makes an extension payment and a payment with the RI-PTE following the end of the calendar year.

The cash basis pass-through entity member(s) must report the apportioned share of the total of the four estimates paid during the calendar year as an increasing modification on RI Schedule M, line 2h.

In addition, a cash basis pass-through entity member(s) may take a decreasing modification on RI Schedule M, line 1v for the amount

Form RI-PTE - Pass-through Entity Election

GENERAL INFORMATION AND INSTRUCTIONS (continued)

of pass-through entity tax claimed in the prior year which was an overpayment calculated on the RI-PTE when filed.

Accrual Basis Pass-through Entity:
The amount required to be reported as income by the pass-through entity is the total of payments made by the pass-through entity **FOR** the tax year of the return being filed minus any overpayment on the return.

For example, a calendar year ending pass-through entity makes four estimated tax payments on the following dates - April 15, June 15, September 15 and December 15. The accrual basis pass-through entity also makes an extension payment and a payment with the RI-PTE following the end of the calendar year.

The accrual basis pass-through entity must report the total of the four estimates, the extension payment and the payment made with the return as an increasing modification on RI Schedule M, line 2h.

If the payments made for the tax year exceeds the amount of tax on line 5, the total amount of payments must be reduced by the overpayment amount regardless of whether the overpayment is refunded or carried forward.

Credit for Taxes Paid to Another State

A similar type of tax imposed by another state on the owners' income paid at the state entity level shall be deemed to be allowed as a credit for taxes paid to another jurisdiction in accordance with the provisions of § 44-30-18.

Combined Reporting

"Combined reporting" as set forth in § 44-11-4.1 shall not apply to reporting under this section.

SPECIFIC LINE INSTRUCTIONS

Line 1 – Pass-through Entity income: Enter your Total Pass-through Entity Income apportioned to Rhode Island. By way of example, see table below. If Form PPP-Entity was filed for 2020, you will need to add the income from line 3 of the 2020 Form RI-PPP – Entity to the amount from the applicable line referenced in the table.

Entity Type	Form/Line Reference
LLC	Apportioned Rhode Island taxable income from RI-1065, Line 6
LLP	Apportioned Rhode Island taxable income from RI-1065, Line 6
LP	Apportioned Rhode Island taxable income from RI-1065, Line 6
Partnership	Apportioned Rhode Island taxable income from RI-1065, Line 6
SMLLC	Apportioned Rhode Island taxable income from RI-1065, Line 6
S-Corp	Apportioned Rhode Island taxable income from RI-1120S, Line 6
Trust	Allocated Rhode Island taxable income from RI-1041, multiply line 7 by line 9

Line 2 – Percentage of the economic benefit received by each member in the entity : Enter your Percentage of ownership attributable to individuals.

Line 3 – Pass-through Entity income generated by the individuals: Multiply line 1 by line 2.

Line 4 – Individual Tax Rate: The individual tax rate is 5.99%.

Line 5 – Pass-through Entity Election Tax: Multiply line 3 by line 4.
This is the amount of state tax credit that will be passed through to the member(s) of the pass-through entity. See “Determining the Amount of the State Tax Credit for the Pass-through Entity” and “Determining the Amount of the State Tax Credit for the Pass-through Entity Member(s)” on page 1 for additional information.

Line 6a – Pass-through Entity Election Estimates: Enter your Pass-through Entity Election Estimates made on Form BUS-EST plus any amount carried forward from the preceding tax year.

Line 6b – Other Allowable Payments. Enter the total of your Pass-through Entity Election Extension made on Form BUS-EXT, any payments made by the pass-through entity from line 10 of Form RI-PPP - Entity for tax year 2020 , and any non-resident real estate withholding payments made by the pass-through entity.

Line 6c –Total Payments: Add lines 6a and 6b. See “Determining the Amount of Income Required to Be Reported by the Pass-through Entity” on page 1 for additional information.

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Form RI-PTE - Pass-through Entity Election

SPECIFIC LINE INSTRUCTIONS (continued)

Line 7a – Amount Due: Subtract line 6c from line 5.

Line 7b – Underestimating Interest Due: Complete form RI-2220. Enter the amount of interest due from Form RI-2220, line 12 on this line.This amount should be added to line 7a or subtracted from line 8, whichever applies.

Line 7c – Total Amount Due: Add lines 7a and 7b. This amount is payable in full with your return. Complete Form BUS-V. Send payment and Form BUS-V with your return.

Line 8 – Amount Overpaid: If the amount on line 6c is greater than the amount on line 5 then SUBTRACT line 5 from line 6c and enter the amount on line 18. If there is an amount due on line 7b for underestimating interest, subtract line 7b from line 8.

Line 9 – Refund: Enter the amount of overpayment from line 8 to be refunded.

Line 10 – Overpayment to be applied to 2022: Enter the amount of overpayment from line 8 which is to be applied to your 2022 estimated tax.

DEFINITIONS

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(1) "Election" means the annual election to be made by the pass-through entity by filing the prescribed tax form and remitting the appropriate tax.

(2) "Net income" means the net ordinary income, net rental real estate income, other net rental income, guaranteed payments, and other business income less specially allocated depreciation and deductions allowed pursuant to § 179 of the United States Revenue Code (26 U.S.C. § 179), all of which would be reported on federal tax form schedules C and E. Net income for purposes of this section does not include specially allocated investment income or any other types of deductions.

(3) "Owner" means an individual who is a shareholder of an S Corporation; a partner in a general partnership, a limited partnership, or a limited-liability partnership; a member of a limited-liability company, a beneficiary of a trust; or a sole proprietor.

(4) "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.

(5) "State tax credit" means the amount of tax paid by the pass-through entity at the entity level that is passed through to an owner on a pro rata basis.

STATUTORY AUTHORITY

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§ 44-11-2.3. Pass-through entities – Election to pay state income tax at the entity level.

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12/07/2021