



Rhode Island Department of Revenue Division of Taxation

ADV 2022-40
Tax Administration

ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS
December 27, 2022
Revised January 20, 2023¹

Inflation-adjusted amounts set for tax year 2023

Division also posts changes for certain items involving 2022 tax year

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today provides the standard deduction amounts, tax bracket ranges, and other key items for Rhode Island Personal Income Tax for tax years beginning on or after January 1, 2023.

The inflation-adjusted amounts apply for tax year 2023. This means the adjusted amounts will not appear on tax returns in 2023 covering tax year 2022. However, they are important to know now for tax-planning purposes and will be the amounts on tax returns seen in early 2024 for tax year 2023.

The inflation-adjusted amounts will also aid tax professionals and taxpayers throughout 2023 for many purposes, including making any needed adjustments to withholding or estimated payments. The inflation-adjusted amounts are presented in the following tables.

Rhode Island standard deduction amounts by tax year		
Filing status	2022	2023
Single	\$9,300	\$10,000
Married filing jointly*	\$18,600	\$20,050
Head of household	\$13,950	\$15,050
Married filing separately	\$9,300	\$10,025

* Or qualifying widow or widower.
Note: Amounts are determined based on inflation as calculated by U.S. Bureau of Labor Statistics and applied to formulas under Rhode Island General Laws § 44-30-2.6.

Rhode Island personal and dependency exemption amounts by tax year	
2022	2023
\$4,350	\$4,700

Most taxpayers are able to claim the full amount of their applicable standard deduction, personal exemptions, and dependency exemptions. However, if a taxpayer's federal adjusted gross income (as modified for Rhode Island tax purposes) falls within a certain income range, these amounts are limited.

If income exceeds the range, the taxpayer cannot claim a standard deduction, personal or dependency exemption amount. The income ranges are listed in the following table.

Phase-out range for standard deduction, exemption amounts by tax year	
2022	2023
\$217,050 to \$241,850	\$233,750 to \$260,550

Phaseout increment (amount used in computing phaseout), which was \$6,200 for 2022, will be \$6,700 for 2023.

¹ This Advisory was revised on January 20, 2023. The Advisory has been updated to clarify the 2022 and 2023 pension income modification amounts.

Personal Income Tax: uniform rate schedule

The Division of Taxation has recalculated tax bracket ranges for tax year 2023, as required by statute. The changes were made to the Rhode Island Personal Income Tax's uniform tax rate schedule, which is used by all filers.

If the dollar figures in tax brackets remained constant, a taxpayer might be bumped into a higher bracket solely because of an annual wage increase that is intended to help the worker keep pace with inflation. This situation is often referred to as "bracket creep." To help offset the effects of bracket creep, the General Assembly adopted a provision that requires the tax brackets to be adjusted annually with inflation.

Standard deduction and exemption amounts are adjusted in similar fashion. The effect can be seen in the following two tables: one for tax year 2022, the other for tax year 2023.

Uniform tax rate schedule for tax year 2022 (Personal Income Tax)

Taxable income:

Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 68,200	\$ --	3.75%	\$ 0
68,200	155,050	2,557.50	4.75%	68,200
155,050	--	6,682.88	5.99%	155,050

Uniform tax rate schedule for tax year 2023 (Personal Income Tax)

Taxable income:

Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 73,450	\$ --	3.75%	\$ 0
73,450	166,950	2,754.38	4.75%	73,450
166,950	--	7,195.63	5.99%	166,950

Trusts and estates: income tax rate schedule

Each year, the Division of Taxation posts the income tax rate schedule that will be used by fiduciaries for many trusts and estates.

As a convenience, tables for tax year 2022 and tax year 2023 follow.

Income tax rate schedule for tax year 2022 (trusts and estates)

Taxable income:

Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 2,750	\$ --	3.75%	\$ 0
2,750	8,700	103.13	4.75%	2,750
8,700	--	385.75	5.99%	8,700

Table is for non-grantor trusts and non-bankruptcy estates. To calculate income tax for grantor trusts and bankruptcy estates, use Personal Income Tax table.

Income tax rate schedule for tax year 2023 (trusts and estates)

Taxable income:

Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 2,950	\$ --	3.75%	\$ 0
2,950	9,350	110.63	4.75%	2,950
9,350	--	414.63	5.99%	9,350

Table is for non-grantor trusts and non-bankruptcy estates. To calculate income tax for grantor trusts and bankruptcy estates, use Personal Income Tax table.

Withholding tables, W-4 withholding certificate

Employers use withholding tables to calculate how much to withhold from an employee's pay for Rhode Island Personal Income Tax purposes. The booklet of income tax withholding tables for tax year 2023 is posted on the [Division's website](#). In addition to the withholding tables, the Withholding Tax Booklet also includes a payment calendar listing the due dates for submitting the tax withheld to the Division, as well as a copy of the 2023 version of Form RI W-4, "Employee's Withholding Allowance Certificate."

The following items are for the 2022 tax year:

Social Security and pension modification amounts for Tax Year 2022

The Division of Taxation has set key numbers associated with the Social Security and pension/annuity/401(k) modifications for the 2022 tax year. The Division has also established the maximum credit amount for the statewide property-tax relief credit (Form RI-1040H) for the 2022 tax year. These numbers apply retroactively to the tax year beginning on or after January 1, 2022 and will appear on forms and instructions during the filing season which begins in January 2023.

Social Security

Rhode Island legislation enacted in 2015 established a modification involving the Personal Income Tax. Effective for tax years beginning on or after January 1, 2016, the modification decreases federal adjusted gross income (AGI) for Rhode Island purposes for qualifying taxpayers who receive Social Security benefits. In general, a taxpayer is eligible for the modification if all three of the following conditions are met:

- The taxpayer's federal AGI includes taxable income from Social Security;
- The taxpayer has reached "full retirement age" as defined by the Social Security Administration; and
- The taxpayer's federal AGI is below a certain amount (see following table).

Social Security modification – income limits by tax year

Filing status	2021	2022
Single	\$88,950	\$95,800
Married filing jointly*	\$111,200	\$119,750
Head of household	\$88,950	\$95,800
Married filing separately	\$88,975	\$95,800

* Or qualifying widow or widower. For more information on this modification, see Rhode Island General Laws § 44-30-12.

Pensions, 401(k) plans, Military retirement pay, annuities, etc.

In 2016 Rhode Island legislation established a new modification involving the Personal Income Tax. Effective for tax years beginning on or after January 1, 2017, the modification decreases federal adjusted gross income for Rhode Island purposes for qualifying taxpayers who receive income from 401(k) plans, 403(b) plans, military retirement pay, private-sector pensions, federal government pensions, state government pensions, local government pensions, federal Thrift Savings Plan, annuities, and/or certain other sources.

In general, a taxpayer is eligible for the modification if all three of the following conditions are met:

- The taxpayer's federal AGI includes taxable income from pensions, 401(k) plans, annuities, and/or other such sources;
- The taxpayer has reached "full retirement age" as defined by the Social Security Administration; and
- The taxpayer's federal AGI is below a certain amount. (Please see following table.)

Pension/401(k)/Annuity modification – income limits by tax year		
Filing status	2021	2022
Single	\$87,200	\$95,800
Married filing jointly*	\$109,050	\$119,750
Head of household	\$87,200	\$95,800
Married filing separately	\$87,225	\$95,800

* Or qualifying widow or widower.

Note: For Tax Year 2022, if the taxpayer meets all requirements, he or she may reduce federal AGI, for Rhode Island tax purposes, by up to \$15,000 of federally taxable pension/401(k)/403(b)/annuity income (via the Rhode Island modification). For Tax Year 2023, if the taxpayer meets all requirements, he or she may reduce federal AGI, for Rhode Island tax purposes, by up to \$20,000 of federally taxable pension/401(k)/403(b)/annuity income (via the Rhode Island modification). For more information on this modification, see [Rhode Island General Laws § 44-30-12](#).

Under the FY23 budget bill ([House Bill 7123, Substitute A as amended](#)) signed by the Governor, adjusted the federal AGI cap amounts to match the amounts used of the social security modifications. In prior years, the income levels for these two modifications differed due to the timing of their statutory implementation.

Property-tax relief credit (Form RI-1040H)

The Division of Taxation has set the maximum property-tax relief credit for the 2022 tax year. The credit is claimed on Form RI-1040H. The amount is listed in the following table.

Property-tax relief credit – maximum credit amount by tax year	
2021	2022
\$415.00	\$600.00

Rules governing credit are shown on Form RI-1040H. See also [Rhode Island General Laws § 44-33-9](#).

Under the FY23 budget bill ([House Bill 7123, Substitute A as amended](#)) signed by the Governor, the maximum credit was increased beginning with tax year 2022. This legislation also increase the income ceiling from \$30,000 to \$35,000 as well as matched the method of inflation adjustments to the CPI index as used in other calculations.

The Rhode Island Division of Taxation, part of the Rhode Island Department of Revenue, is open to the public from 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 <https://tax.ri.gov/about-us/contact-us>.