



# Rhode Island Department of Revenue **Division of Taxation**

Presentation to RIAPA  
January 4, 2023

# Neena Savage

## Tax Administrator

# Agenda

- Introduction
  - About The Division
  - Introducing the Taxpayer Experience Office
- Department of State Business Services
- Personal Income Tax
- Excise and Estate Tax
- State Tax Notices
- Electronic Mandate
- Taxpayer Portal
- Compliance and Collections
- Audit and Investigation
- Q & A

# About Us

## The Division of Taxation: One of six agencies in the Department of Revenue

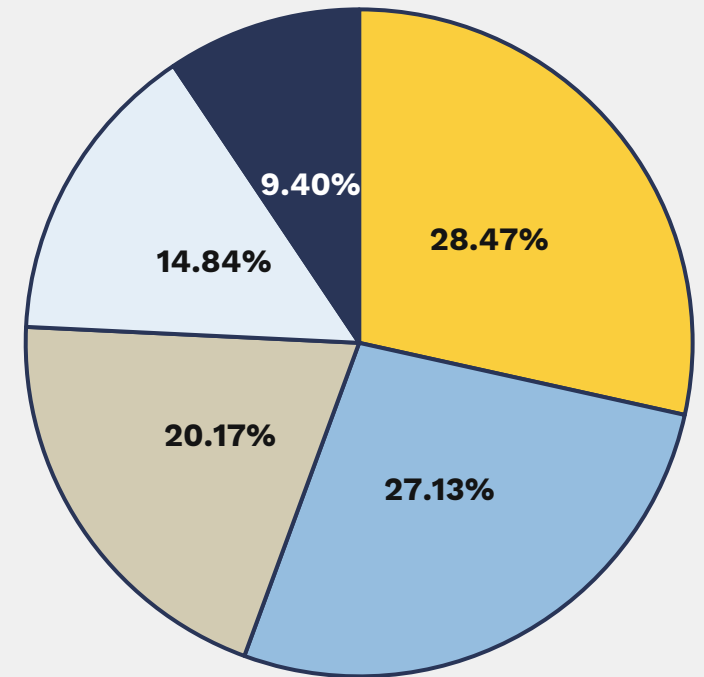
- The Rhode Island Division of Taxation employs **223 tax professionals**, administering more than **59 different taxes and fees**.
- Taxes represent **the most significant source of General Fund revenue** for Rhode Island – funds used to help pay for vital services including public safety, education, transportation, and recreation for all Rhode Islanders.
- Each year, the Division **collects and distributes more than \$5 billion** in funds to the State, municipalities, and other agencies (as of FY 22).

## Our Mission

- To foster voluntary compliance with the Rhode Island tax laws and instill public confidence through professional, impartial and ethical conduct.
- To administer and collect all taxes as required by Rhode Island law in the most efficient and cost-effective manner.
- To assist taxpayers by helping them understand and meet their tax responsibilities.

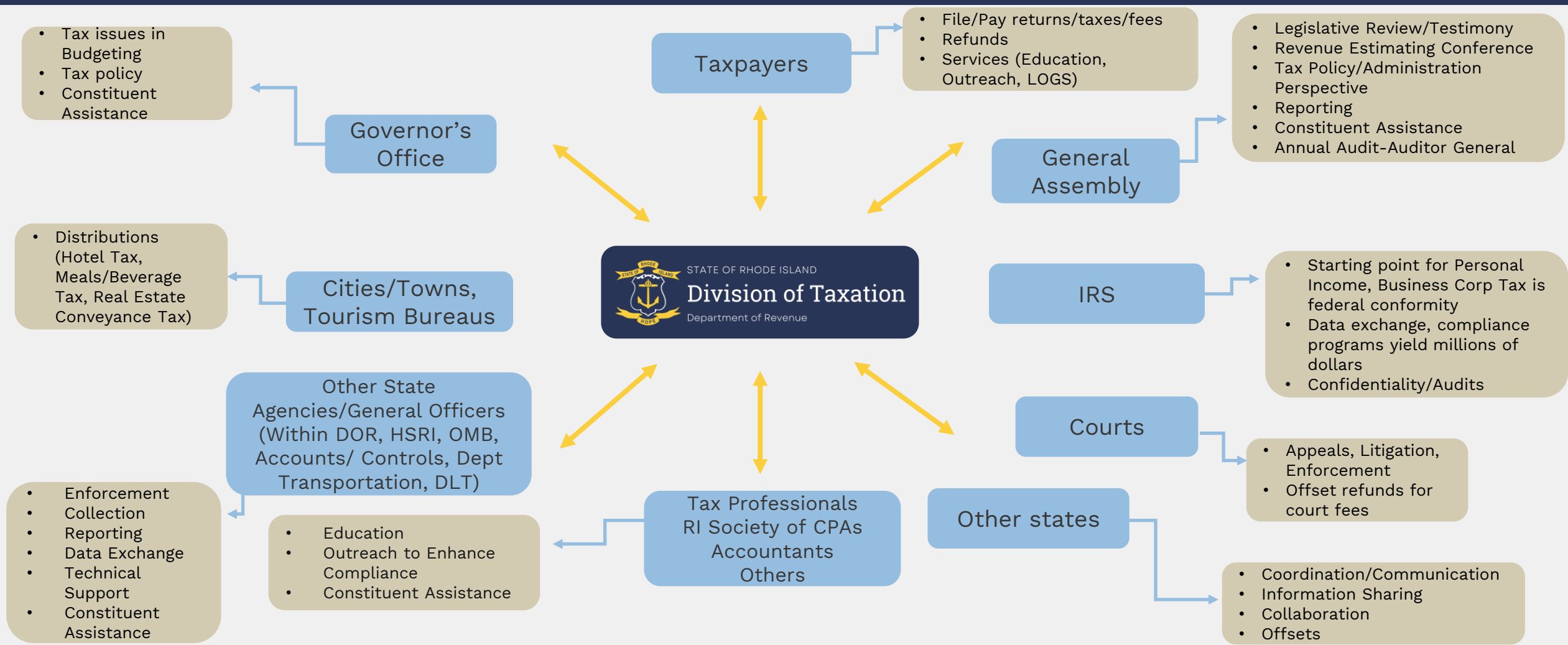
## Total State Tax Revenue Collected by the Division of Taxation for Fiscal Year 2022 (\$, In Millions)

FY22 Receipts: \$5B

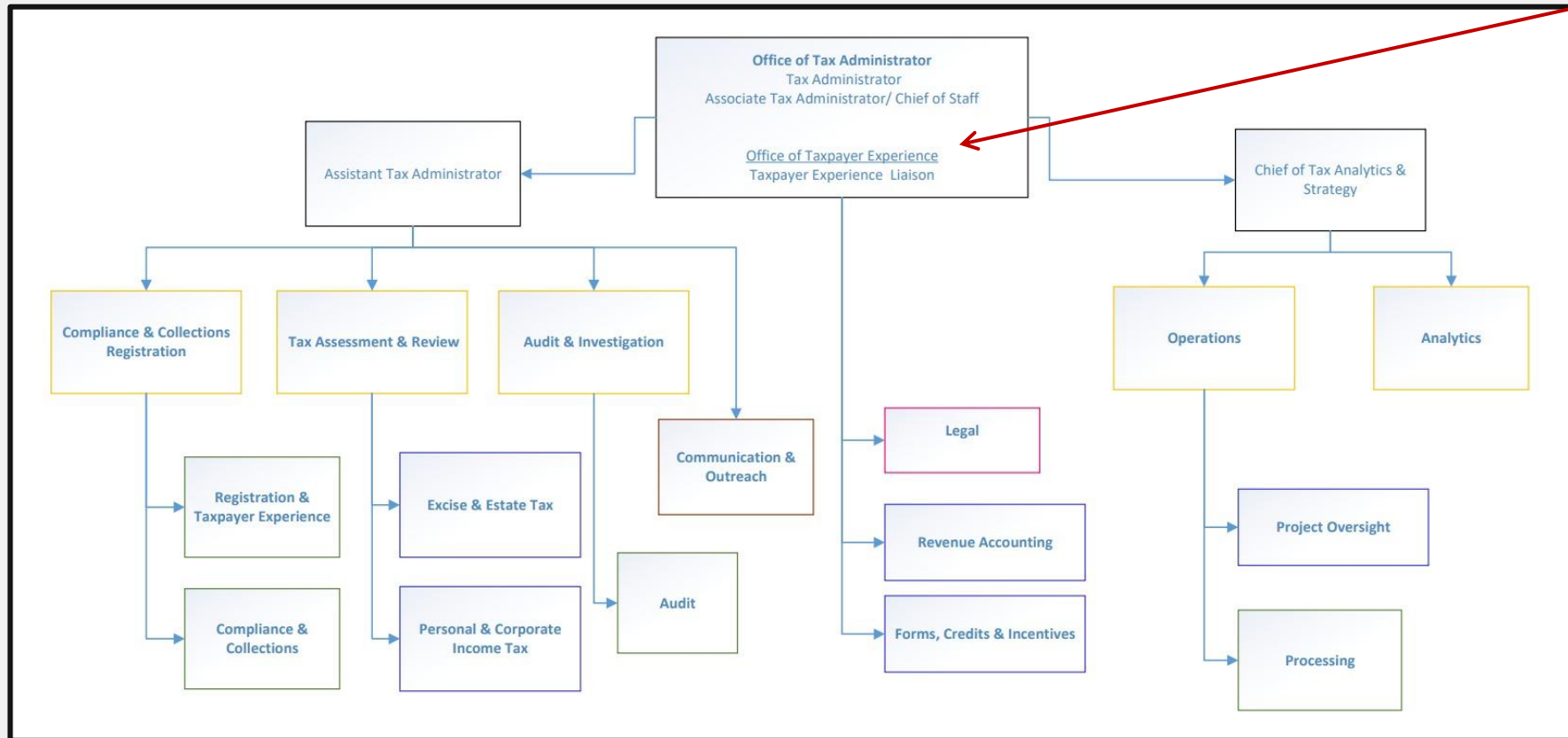


■ Withholding ■ Sales ■ Corp ■ PIT ■ Estate, M&B, Hotel & Other

# About Us: Key Stakeholders/Interactions



# Taxpayer Experience Office/Team



## Taxpayer Experience Office Team

- Tax Administrator
- Asst Tax Administrator
- **External Facing: Taxpayer Experience Liaison**
- **Internal Taxpayer Experience Team** (With Initial Focus on Collections/Compliance)
- Continue Improvements Across Agency at all Taxpayer Contact Points

# Division of Taxation: Mission

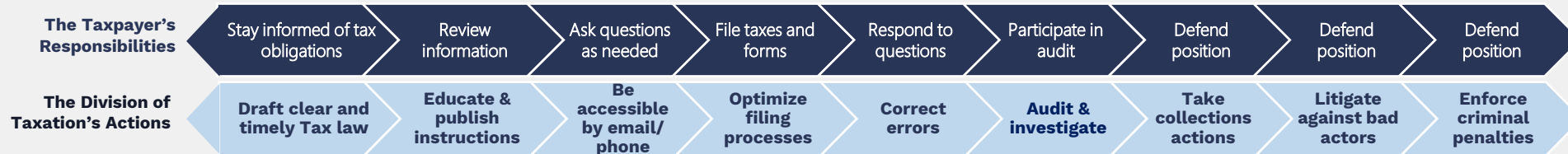
## The Tax Administration Efficiency Continuum

**VOLUNTARY COMPLIANCE**

**FORCED COMPLIANCE**

Less expensive, more efficient revenue generation

More expensive, less efficient, but necessary



How are we improving taxpayer services, voluntary compliance?

- ▲ Creating a dedicated taxpayer experience team, expanding outreach to aid taxpayers, providing more direct access for taxpayers, creating educational material for common taxpayer issues
- ▲ Expanding the taxpayer service portal, creating digital signature options, upgrading technology, appointment system pilot
- ▲ Improving staff training, data analysis, improving forms and data retrieval
- ▲ Expanding the remote audit program, implementing best practices
- ▲ Developing industry guidelines

**Taxpayer Experience Office/Team**

# Taxpayer Experience Office Strategy

- Internal: Continue improvements in wait times (telephone, email, walk-ins)
- External Outreach Plan with Key Stakeholders
- Listening Tour with Key Stakeholders, Continuous Documentation and Improvement

## Internal Taxpayer Experience Improvements

- Continue to cross-train staff to focus on improving taxpayer inquiries (phones, emails, walk-ins).
- Proactive appointments at Taxpayer's convenience via virtual appointment cards and appointments being piloted.
- Investigating cloud-based soft phone enhancements to meet taxpayer demand.
- Self-service Taxpayer Kiosk.

## External Taxpayer Experience Liaison

- Dedicated resource to engage on outreach to taxpayers and assist taxpayers.
- Incorporate taxpayer responses and track metrics.
- Will aid voluntary compliance by messaging.

## Outreach to Stakeholders

- In the process of planning the next six months of outreach with: RISCPA (and other tax professional entities), Hospitality Association, League of Cities and Towns, Manufacturers, Tourism Bureaus, Chambers of Commerce.
- Necessary to aid understanding of Division of Taxation processes, resources, and enhance compliance.



Maureen Ewing  
Director of Business Services  
RI Department of State  
&  
Kristen Cordeiro  
Deputy Director of Business Services

**RI Department of State – Business Services**

# **Business Registry and Educational Resources**





# Business Services Division Overview

→ **Corporate Filings**

→ **Apostille/authentications**

→ **Uniform Commercial Code (UCC)**

→ **Trademark**

→ **Notary Public**

→ **Business Information Center**



# Using the Corporate Database

## Search for an entity

[Search Historic Corporate Catalog](#)

[Search assistance. . .](#)

Status  Active  Inactive

Search by entity name (Corp., LP, LLP, LLC, Non-resident Landlord)

Enter name:

Search type:

Begins with



Search by an individual name (Officer, Director, etc.)

Search type:

Begins with



First:

Middle:

Last:

Search by Identification Number

Must be 9 digits

Free, 24/7 access to corporate records

Use to confirm corporate details: legal entity name, tax structure



# What Information Can We Provide?

Information Sought	Collected by RI Dept. of State?
Principal business address	✓
Registered agent (for service of legal process)	✓
Corporate status	✓
Ownership information	✗
Tax information	✗
Complaints against a company	✗
Employment information	✗

## Information for Rhode Island Businesses

This information is intended for those looking to start a Rhode Island business or keep their existing business in good standing. Out of state businesses should refer to our resources for [Foreign Businesses](#) page.



### Plan →

Learn how to prepare your new business for success.



### Start →

Learn how to register your business.



### Maintain →

Learn how to keep your business in good standing.



### Close →

Learn how to formally close your business in Rhode Island.



# Business Basics



Your Plan



Your Name



Your Structure



Costs & Fees



Employees



Choosing a Location



# Costs & Fees

	Corporation	Benefit Corporation	Workers' Cooperative	Limited Liability Company (LLC)(L3C)	General Partnership	Sole Proprietor
<b>Initial RI Dept. of State Filing Fee</b>	\$230	\$230	\$230	\$150	None	None
<b>RI Dept. of State Annual Report</b>	\$50	\$60	\$50	\$50	None	None
<b>RI Division of Taxation Minimum Corporate Tax</b>	\$400*	\$400*	\$400*	\$400*	None	None
<b>Additional Licensing Fees</b>	Use our Business Assistant to gather licensing information for your specific business type.					

\* The tax is owed whether or not business is conducted or a profit is made. The minimum annual tax is NOT pro-rated and will be owed regardless of how long the business operated in the calendar year.





# Business Assistant Wizard

## **SUCCESS!!**

Based on your answers, we've put together a start-up task list.

The hi-low business filing application/licensing fees are estimates ONLY and are provided to help you plan. Your final costs will vary.

This information is offered as a public service and should not be used as a substitute for professional advice. You **must** contact the city/town where your business is located and each licensing agency to ensure you are fully compliant.

[+ Forms](#)

[+ Recommendations](#)


[+ Rules and Regs](#)

[Back](#)

## **Save your task list!**

Saving this task list will make things easier to refer back to when starting your business.

[Save as a task list →](#)

 Final costs will vary. Your total may not include all fees.

**Estimated Fees** \$510.00 to \$1021.00



# Step-by-Step Registration Instructions

## Start Your Rhode Island Business

According to R.I. Gen. Laws, most business structures need to register with the RI Department of State. Follow the steps below to register your business.

STEP  
1

### Gather required information

#### **Name of Company**

All businesses need to register with a unique business name. Check name availability by using the [RI Department of State Corporate Database](#). For more information on name availability, please visit the [RI Department of State Name Availability Guidelines](#).

#### **Registered Agent**

A registered agent is an individual or entity that receives official and legal documents on behalf of a business. The agent must be a Rhode Island resident or an entity qualified to do business in this state.

#### **Registered Agent Address**

A registered agent must have a Rhode Island street address and must be available at the given address during normal business hours to accept service of process. P.O. Boxes or shipping/postal company addresses (including virtual business addresses) do not meet this standard and are not allowed.

#### **Business Structure**

Your business structure is the legal definition of how your business is organized. Refer to our [Business Structures chart](#) to learn more.

### Are you ready to start your business?

Be sure to review our [Business Basics](#) before starting this important legal process.

Virtual office appointments are available to help you to get started. [Click here](#) to book yours!



# Welcome Packets

[Corporation Welcome Packet](#)

[LLC Welcome Packet](#)

[Non-Profit Welcome Packet](#)

- Business Snapshot & Annual Task List
- Recordkeeping
- Business Identity Protection
- Cybersecurity
- Employer Info
- State Agency/Support Organization Contact Details



## Required Annual Action

### Maintain Your Rhode Island Business

There are certain steps you must take each year to keep your business up-to-date, otherwise known as “in good standing.” State law requires that most entity types meet the following requirements each year.

#### Do you need advice?

We partner with SCORE to provide free, in-person mentoring in our Providence office. [Scheduling an appointment is easy!](#)



**All of these requirements apply to Partnerships as of January 1, 2024 (or earlier, if elected)**



#### File an Annual Report

Business Corporations, Limited Liability Companies and Benefit Corporations must file an annual report with the RI Department of State.

[Learn more →](#)



#### Maintain a Registered Agent/Office

Maintain a valid registered agent and registered office on file with the RI Department of State.

[Learn More →](#)



#### Pay Taxes

Pay all state, federal, and local business taxes owed.

[Learn More →](#)



Businesses that fail to meet these annual obligations will lose their good standing status. The loss of good standing status can affect your ability to do business in Rhode Island. [Learn more about returning your business to good standing status.](#)



# Loss of Good Standing: Revocation and Reinstatement

**Business Services is tasked with revoking the charter of any entity that fails to:**

- File an annual report;
- Maintain a registered agent/registered office;
- Pay business taxes (including minimum corporate tax); or
- Pay a required filing fee.

**To reinstate:**

- Obtain a Letter of Good Standing from the RI Division of Taxation;
- Submit missing filings; and
- Pay filing and penalty fees.

**Learn more about the [consequences of revocation](#) and the difference between a [Letter of Good Standing and Certificate of Good Standing](#).**



# Step-by-Step Business Closing Instructions

## Close Your Rhode Island Business

Businesses in Rhode Island that are no longer transacting business in this state must formally dissolve.

STEP  
1

### Deciding to Close Your Business

The decision to dissolve your entity must be made according to the guidelines established in your articles, bylaws, or operating agreement. Make sure to document all decisions.

STEP  
2

### Comply with Employment and Labor Laws

State law requires that final paychecks are to be paid to employees within twenty-four (24) hours of their last day of work (R.I. Gen. Laws Chapter 28-14). If an employee has completed at least one year of service, then holiday pay, vacation pay, and insurance benefits are to be paid within twenty-four (24) hours of their last day of work.

The Warn Act is a federal law requiring employers of 100 or more full-time workers to give 60 days advance notice of a plant closing or mass layoff.

Employers with 100 or more full-time workers are affected if:

- They close a facility or discontinue an operating unit with 50 or more workers; or
- They lay off 50-499 workers and these workers comprise at least 33% of the total workforce at a single site of employment; or
- They lay off 500 or more workers at a single site of employment.

The law requires that this notification be given to the appropriate local chief elected official, the Dislocated Worker Unit of the RI Department of Labor & Training, and the collective bargaining

Until you legally close your business with the state, you will continue to owe annual taxes and fees.

Virtual office appointments are available to help you. [Click here](#) to book an appointment!



# RI Business Data Hub

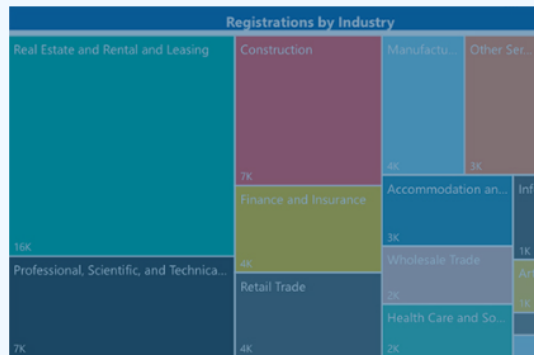
## RI Business Data Hub

The Department of State, Division of Business Services maintains Rhode Island's state business registry. We record new business formations, types of business activities conducted, business location, and business closings in Rhode Island.

The following interactive data visualizations illustrate the business landscape across the state based on the entities that file with our office.

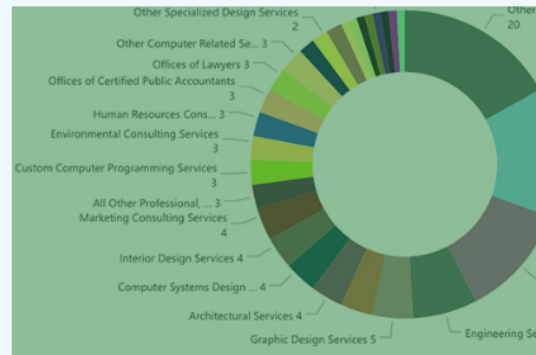
### HAVE SUGGESTIONS?

Let us know if you found this information useful or if you would like to see something different. Please email your comments and suggestions to [corp\\_tech@sos.ri.gov](mailto:corp_tech@sos.ri.gov).



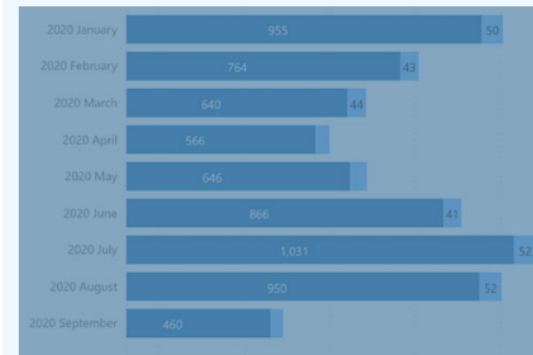
### RI's Business Landscape →

Use our interactive tools to track trends in entity types registered, explore business longevity, and discover common business activity in Rhode Island.



### Find Your Market →

Using our business data and recent census information, you can identify what types of entities are conducting business in which city or town. Explore location-specific employment, education, and income levels, too!



### The Daily Numbers →

Wondering how many businesses have registered with the state in total? Looking to find out how many registered last month? Look no further. Use this tool to get up-to-date information about active businesses and non-profits registered with the RI Department of State.



# Training and Education

## Free, virtual workshops offered every month

- ✓ Small Business Basics
- ✓ Non-Profit Basics
- ✓ RI Trademark Basics

## Multi-Part Series

- ✓ Hobby to Business
- ✓ E-Commerce
- ✓ Non-Profit Boot Camp
- ✓ Surety Bonding
- ✓ Intellectual Property

## Other Opportunities

- ✓ RI Trademark Legal Clinic (monthly)
- ✓ Virtual Office Hours (twice weekly)



# Tips from the Filing Office

## Accurate Data Matters!

- Principal place of business
- NAICS code

Recording an entity's industry and business address accurately affects policy decisions, funding, and the overall health of RI's business landscape

## Keep in Touch!

- Quarterly e-newsletter
- Important notices

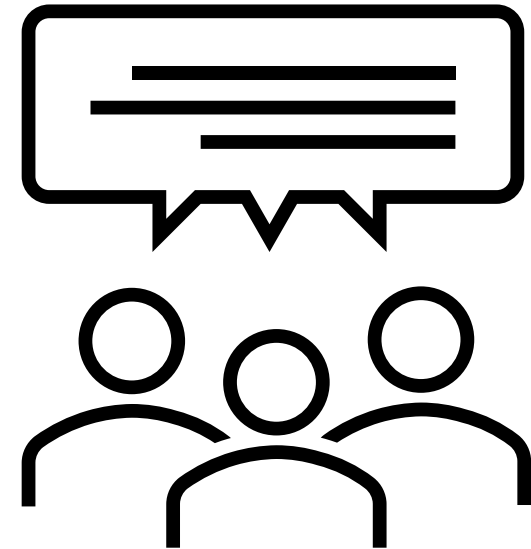
**Email [bizassist@sos.ri.gov](mailto:bizassist@sos.ri.gov) to sign up**

# Questions?

Contact us!

[mewing@sos.ri.gov](mailto:mewing@sos.ri.gov)

[kcordeiro@sos.ri.gov](mailto:kcordeiro@sos.ri.gov)



**Carlita Annicelli**  
Chief,  
Personal and Corporate Income Tax

# Child Tax Rebate

- Legislation signed by Governor McKee on 06/27/22 as part of budget bill H7123Aaa
- Eligible Taxpayers will receive a rebate payment of \$250 per child, up to maximum of \$750
- Rebates will be issued to eligible taxpayers based on a 2021 Personal Income Tax filing
- To qualify, 2021 Personal Income Tax return on extension must be received by 10/17/22

# Child Tax Rebate

- Eligible taxpayer
  - Must have filed their Rhode Island 2021 personal income tax return as either:
    - Single, married filing separately, head of household, or qualifying widow/widower with a federal adjusted gross income of \$100,000 or less; or
    - Married filing jointly with a federal adjusted gross income of \$200,000 or less
  - Have a qualifying child dependent (eighteen years of age or under as of December 31, 2021)
  - And be domiciled in the State of Rhode Island

# Child Tax Rebate: Timeline

October 2022: First round of checks based on filings through August 31, 2022



December 2022: Second round of checks based on filings through October 17, 2022

# Child Tax Rebate

- Additional Items to Note
  - Return must be filed in order to qualify
  - All rebates will be issued by check
  - Rebate is exempt from state income tax
  - 1099Gs will be issued for federal tax purposes for amounts over \$600
  - If address has changed, complete the change of address form [Child Tax Rebate Change of Information Form](#)
  - Dedicated [Webpage](#)
  - [Child Tax Rebate FAQ](#)
  - Rebate Tracker Tool will be available

# Personal and Corporate Income Tax

## 2022 Filing Season

- 484.8K Refunds issued as of 11/28/2022
- 708K returns filed as of 11/28/22
- 44,113 calls, 1,030 walk-ins, 10,827 emails as of 11/28/2022



# Personal and Corporate Income Tax

## 2022 Filing Season

- Inflationary changes
  - Personal Exemptions \$4,350
  - Standard Deduction
    - Single/Married Separate \$9,300
    - Joint/Qualifying Widow(er) \$18,600
    - HOH \$13,950
  - Phaseout \$217,050 – \$241,850
  - Social Security Amounts
    - Single \$95,800 Joint \$119,750
  - Pension and Annuity
    - Single \$95,800 Joint \$119,750
    - Statute added to match to SSI Modification

# Personal and Corporate Income Tax

- Property Tax Relief Changes for TY2022
  - \$600 cap – subject to inflation for future years
  - Increase in income limitation from \$30,000 to \$35,000 - subject to inflation
- MeF filing for Personal Income, Corporate and Fiduciary
  - RI-1040 and RI-1040NR
  - RI-1120C, RI-1120S, and RI-1065
  - RI-1041
- Will allow payment through MeF for Corporate and Fiduciary with 2022 returns
- Looking into extensions through MeF for Tax Year 2023

# Personal and Corporate Income Tax

## Pension/Annuity and Social Security Modifications

- Modification is based on full retirement age of 66 years and 4 months (born on or before 09/01/1956)
- All Filing statuses (single, separate, head of household, married joint or widow(er))
- Fed adjusted gross income thresholds (less than \$80,000 and \$100,000) indexed for inflation
- Once AGI limitations are passed, no modification
- Does not include IRAs
- \$15,000 limitation applies per individual for pension/annuity. Unlimited for SSI.
- [Pension and Annuity Guidance document](#)

# Personal and Corporate Income Tax

## Changes to come – Tax Year 2023

### Exemption for military pensions

- Cannot use same income for existing retirement exemption
- No cap or limitation
- No age restriction

### Increase in existing retirement exemption

- Increase cap from \$15,000 to \$20,000
- No change to current AGI limit
  - For 2022: Single \$95,800  
Joint \$119,750

# Personal and Corporate Income Tax

## • Individual Mandate Update

- Rhode Island's health coverage mandate remains in effect
- Dedicated website:  
<http://www.tax.ri.gov/healthcoveragemandate/index.php>
- [Tips for Health Insurance Mandate](#)
- Open Enrollment is 11/01/22 – 01/31/23  
([Open Enrollment - HealthSource RI](#))

## Helpful Tip: Check the box

12 a USE/SALES tax due from RI Schedule U, line 4 or line 8, whichever applies.....	12a			
b Individual Mandate Penalty (see instructions). Check ✓ to certify full year coverage. <input checked="" type="checkbox"/>	12b			
13 a TOTAL RI TAX AND CHECKOFF CONTRIBUTIONS. Add lines 10a, 10b, 11, 12a and 12b.....	13a			

Official State of Rhode Island website

STATE OF RHODE ISLAND  
Division of Taxation  
Department of Revenue

Settings & Language

Search the site

Online Services Resources for... Tax Sections Forms Guidance About Us

Agency Announcements Show Alerts

Home » Guidance » Health Insurance Mandate

### Health Insurance Mandate

Welcome to the Health Insurance Mandate Information Page.

Rhode Island's health insurance mandate took effect January 1, 2020.

The mandate is a requirement that all Rhode Islanders (except those who are specifically exempt under the law) have "qualifying health coverage" beginning January 1, 2020.

Sources of "qualifying health coverage" include coverage through an employer; coverage purchased directly from a health insurance carrier; Medicare; Medicaid; or a health plan purchased through HealthSource RI, the state's health exchange.

Failure to have coverage during the tax year may result in a Rhode Island personal income tax penalty during tax-filing season. For more information, please see the table below.

- Guidance
- Administrative Decisions
- Advisories
- Declaratory Rulings
- Information and FAQs
- Newsletters
- Notices
- Publications
- Regulations

# Personal and Corporate Income Tax

- If any member of the household did not have full year health coverage, please complete the form accurately for all members of the household. Proper completion will ensure any potential penalties being calculated correctly.

State of Rhode Island Division of Taxation  
**Form IND-HEALTH**  
 Individual Health Insurance Mandate Form

21106299990101

Name: \_\_\_\_\_ Social security number: \_\_\_\_\_

Coverage Exemption Reasons and Codes			
Income Below Filing Threshold	NC	Aggregate Self Only Coverage Considered Unaffordable	G1
Coverage Considered Unaffordable	A	Member of Tax Household Born or Adopted During the Year	H1
Short Coverage Gap	B	Member of Tax Household Died During the Year	H2
Citizens Living Abroad & Certain Noncitizens	C	Nonresident of Rhode Island	N
Members of Healthcare Sharing Ministry	D	Had Minimum Essential Health Coverage	X
Members of Indian Tribes	E	HealthSource RI Exemption	RI
Incarceration	F		

Enter the name and social security number for each member of your tax household. For each household member, use the chart above to enter an exemption code for each corresponding month in which the household member had minimum essential health coverage or an exemption. If an individual qualified for an exemption through HealthSource RI, enter the exemption number(s) in the space provided.

Refer to the Individual Mandate Instructions for details and instructions on each of the coverage exemption types listed above.

If there are more than five (5) members in your tax household, please complete multiple IND-HEALTH Forms.

1) Name: \_\_\_\_\_

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Social Security Number: _____	Check <input type="checkbox"/> if under 18 years of age as of 01/01/2021												
Exemption Number: _____		Number of months for which an exemption did not apply: _____											

# Personal and Corporate Income Tax

## Property Tax Relief Reminders

Maximum Credit for 2022 = \$600.00

Household income (taxable and nontaxable) = \$35,000 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](#)

# Personal and Corporate Income Tax

## Earned Income Tax Credit Reminders

- The Rhode Island EITC is in addition to the Federal EITC. Rhode Island EITC rate is a percentage of the Federal EITC amount. 2018-2022=15.0%
- 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.
- Returns without expenses
- Documentation for income reporting Ex. Requests for licenses, records, statements, etc.



# Personal and Corporate Income Tax

## Extension Discussion

### [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

# Personal and Corporate Income Tax

## 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

# Pass-Through Entity Changes

- Two-year implementation
- Tax Year 2023
  - Pass through withholding will be Included on the Entity level return
  - Estimated payments made on BUS-EST or RI-1041ES
    - For BUS-EST, check RI-1120 for RI-1120S or RI-1065 filers
    - RI-1041-ES would include withholding on Fiduciary filers
  - Forms RI-1120S, RI-1065 and RI-1041 will be updated to include a “PT” Schedule and tax due line
- Tax Year 2024
  - Pass through Entity Elections will be Included on the Entity level return with same form changes from withholding in 2023

# Pass-Through Entity Changes

## Pass Through

**Tax Year 2023:**  
Use Bus-Est  
instead of RI-  
1096PT-ES

04/15/23

**Tax Year 2023:**  
Use Bus-Ext  
instead of RI-  
1096PT-EXT or filing  
of Entity Return  
with PT Schedule

03/15/24

**Tax Year 2023:**  
Filing of Entity  
Return on  
extension with  
PT Schedule

09/15/24

**Tax Year 2024:**  
Use of Bus-Est  
with Entity  
checkbox  
instead of PTE  
checkbox

04/15/24

**Tax Year 2024:**  
Use of Bus-Ext  
with Entity  
checkbox  
instead of PTE  
checkbox or  
filing of Entity  
return with  
PTE Schedule

04/15/25

**Tax Year 2024:**  
Filing of Entity  
return with PTE  
Schedule on  
extension

09/15/25

## Pass Through Entity

# Pass-Through Entity Changes

- Why Change?
  - Increase to Voluntary Compliance
  - Allow for MEF/Electronic filing
  - Ease filing burdens
- Why Two-year Implementation?
  - Complexity
    - PTE modifications vs payment credits
    - Accounting methods
  - Requirement vs Election

## Section Contact Information

### Personal Income

- Phone: 401-574-8829 Option #3
- Email: [tax.assist@tax.ri.gov](mailto:tax.assist@tax.ri.gov)

### Nonresident Real Estate

- Phone: 401-574-8829 Option #4
- Email: [tax.nonres713@tax.ri.gov](mailto:tax.nonres713@tax.ri.gov)

### Corporate Income

- Phone: 401-574-8935
- Email: [tax.corporate@tax.ri.gov](mailto:tax.corporate@tax.ri.gov)

# Theriza Iafrate

## Chief, Excise & Estate

# Cannabis Legalization

- House Bill 7593Aaa signed by Governor on 05/25/22
  - Regulated by the Cannabis Commission
    - Including issuance of various groups of licenses issued by Commission
  - Limited retail locations set to begin 12/01/22
  - [Office Of Cannabis Regulation | Dept. of Business Regulation \(ri.gov\)](#)
  - Still many questions to be answered



# Cannabis Legalization

## Adult Use Cannabis

### Taxes

- 10% State Excise Tax
- 3% Local Excise Tax
- Subject to 7% Sales Tax
- Exempt from 4% Compassion Center Surcharge
- Exempt from Cigarette Tax if rolling paper or cone sold with cannabis inside.
- License as Cigarette Dealer (for sale of rolling papers/cones); \$25 fee

### Returns

- Cannabis Excise Tax Form (on Portal)
- Monthly Sales & Use Tax Return
- T-19 Form for cigarette tax on unstamped, unfilled rolling papers or cones (for Cannabis Retailers Only)

## Medical Cannabis

### Taxes

- Exempt from State Excise Tax
- Exempt from Local Excise tax
- Still subject to 7% Sales Tax
- Subject to 4% Compassion Center Surcharge
- Exempt from Cigarette Tax if rolling paper or cone sold with cannabis inside.
- License as Cigarette Dealer (for sale of rolling papers/cones); \$25 fee/License application.

### Returns

- CCS-67 Compassion Center Surcharge Return
- Monthly Sales & Use Tax Return
- T-19 Form for cigarette tax on unstamped, unfilled rolling papers or cones (for Cannabis Retailers Only)

# Sales Tax Modernization

- New version of Sales Tax Form
- Beginning January 2023
  - Alignment with neighboring states
  - Impacts monthly and quarterly filers but will now use same form
  - Return remains only one page
  - Allow taxpayer to reconcile sales tax monthly/quarterly
  - New booklet mailing
  - [Sales Tax Modernization Advisory](#)
- Tips
  - Accurately complete all fields
    - Gross Sales
    - Itemize deductions
  - Include NAICS code and account ID#

# Excise and Estate Tax

- New Sales Tax Exemptions effective 10/01/22
  - Certain funeral items used by funeral director as part of the business of funeral directing
  - Breast pumps, breast pump collection and storage supplies
  - Trade-in value of motorcycles
- Some Excise Tax Reminders
  - Sales Tax Permit Fee Eliminated by Statute as of 07/01/22
    - Forms still required to apply for renewal annually
- Annual Reconciliations
  - Complete all lines correctly
  - Do not use prior year forms

# Excise and Estate Tax

## Estate Tax Update

- Form-RI-706 Estate Tax return
  - Combines the RI-100 and RI-100A into one form
  - As of 01/01/2022, all returns with Date of Death on or after 01/01/2015 including non-taxable estates prior to 01/01/2015
  - Taxable estate with DOD prior to 01/01/2015 should email [tax.estate@tax.ri.gov](mailto:tax.estate@tax.ri.gov) for Form 100A
  - Estates greater than \$1.3M need to complete entire return
  - Estates below \$1.3M need to complete pages 1 – 4 including Part 6, recapitulation schedule
  - \$50 filing fee still applies
  - Backup **must** be provided

## Section Contact Information

### Estate Tax

- Phone: 401-574-8829 Option #8
- Email: [Tax.Estate@tax.ri.gov](mailto:Tax.Estate@tax.ri.gov)

### Sales & Excise Tax

- Phone: 401-574-8955
- Email: [Tax.Excise@tax.ri.gov](mailto:Tax.Excise@tax.ri.gov)

# Rahul Sarathy

## Chief, Tax Analytics & Strategy

# Electronic Filing & Payment Mandate

- Electronic filing and payment mandate for large business registrant taxpayers effective 01/01/2023
  - Large Business Registrant defined:
    - is operating a business whose combined annual liability for **all taxes** administered by the Division of Taxation for the entity is or exceeds \$5,000; or
    - is operating a business whose annual gross income is over \$100,000 for the entity
  - Penalties
    - \$50 per occurrence for failure to file electronically
    - 5% of tax amount or \$500, whichever is less for failure to pay electronically
  - Taxpayers with reasonable causes may be exempt on a case-by-case basis
  - Individuals and trusts filing personal or fiduciary income tax returns are not larger business registrants for the purposes of R.I. Gen Laws §44-1-31.2

**Enjoy a short break.**

**Presentation will resume shortly.**



# Diana Mendes

## Taxpayer Assistance Representative Supervisor

# Using the Taxpayer Portal

- Benefits of Portal
  - Satisfies new Electronic Filing and Payment Mandate requirements
  - Can file and pay all taxes from same site
  - Can schedule payment for future withdrawal
    - You can schedule payments up to 364 days in advance on the Portal
  - 24-hour access
  - Interactive to help ensure accurate filings with all required fields completed
  - Ability to see all previous filing and payments for all tax types
  - Securely store banking information for future use
- Stats – 46,000 registered users have submitted 225K payments for over \$1B thus far in 2022
- Other electronic methods available

# How do I file/pay? The Division of Taxation Taxpayer Portal

**Step 1: Visit [www.taxportal.ri.gov](http://www.taxportal.ri.gov) and create a User ID and password.**

The screenshot shows the homepage of the Rhode Island Division of Taxation Taxpayer Portal. At the top left is the state logo and the text "STATE OF RHODE ISLAND Division of Taxation Department of Revenue". Below this is a "Home" navigation bar. The main content area is divided into several sections:

- Member Sign In:** A form with fields for "User ID" (placeholder: "Please Enter User ID") and "Password", a "SIGN IN" button, and links for "Forgot User ID?" and "Forgot password?".
- New User?:** A link for "Create a New User".
- Don't Have a Portal User Account?:** A section with the text "Use our Same-Day Services" and links for "Make a Payment (same day withdrawal)" and "File a Form (alone or with payment)".
- Customer Support:** A text box stating "Customer support is available weekdays between 8:30am - 3:30pm at 401-574-8484 or you can e-mail support at taxportal@tax.ri.gov at any time." Below this is a warning: "Don't have your PIN? Unable to log in to your account? Many forms can be filed and paid without a PIN using our Same Day Services. The File a Form link is located on the bottom left of this page." Below the text is a photograph of the Rhode Island State Capitol building.
- Popular Services:** A list of links including "Tax Forms", "Administrative Decisions", "Advisories", "Where's My Refund", "Business Registration", "Reports", "Regulations", "Newsletters", "Contact Us", "Liquor License Renewals – Certificates of Good Standing", and "Individual Mandate Reporting - NEW".
- Frequently Asked Questions:** A list of links including "Guest Bill Payments (Video)", "Guest Filing (Video)", "Portal Registration (Video)", "Portal User Guide", "Who should use the online taxpayer portal and what taxes can be filed?", and "How do I link my tax entity to my portal account?".

# 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](mailto:taxportal@tax.ri.gov)).

**Step 3:** Log in using User ID and password.

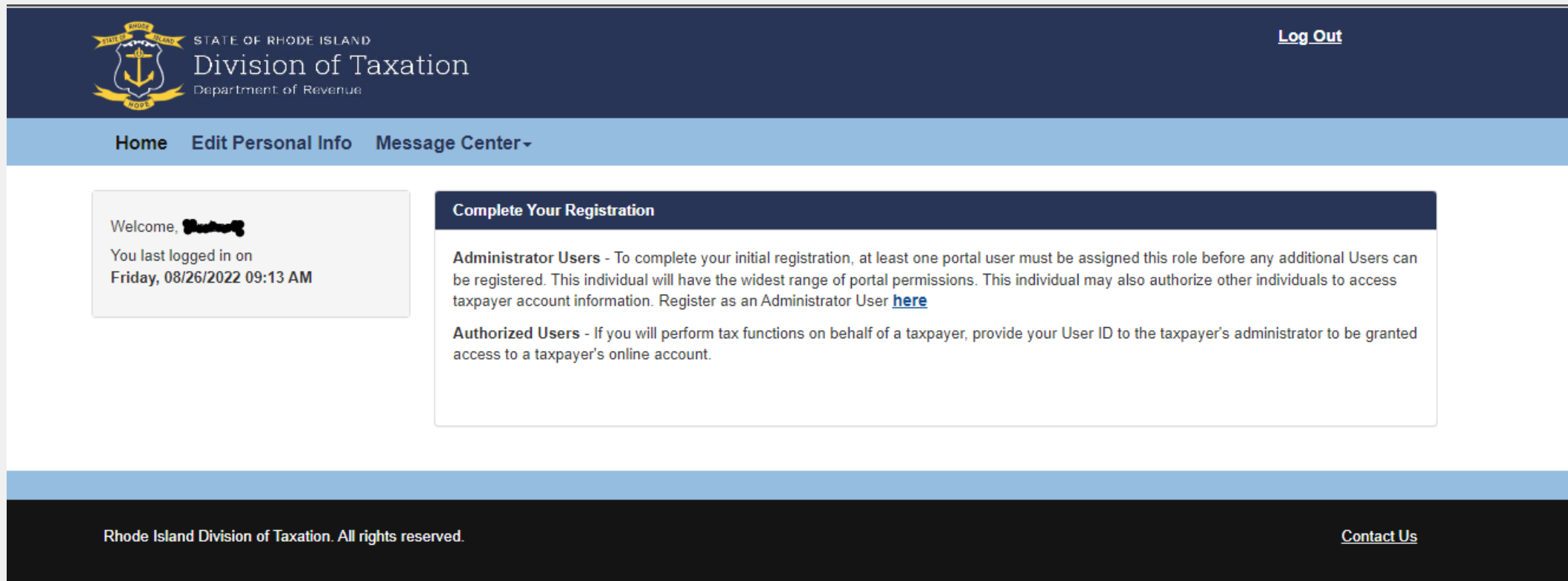
The screenshot shows the homepage of the State of Rhode Island Division of Taxation Taxpayer Portal. The header includes the state logo and the text "STATE OF RHODE ISLAND Division of Taxation Department of Revenue". Below the header is a "Home" navigation bar. The main content area is divided into several sections:

- Member Sign In:** A form with fields for "User ID" (with a placeholder "Please Enter User ID") and "Password" (with a placeholder "Password"). A "SIGN IN" button is below the fields. A link "Forgot User ID? Forgot password?" is at the bottom of the form. This section is circled in red.
- Customer Support:** A text box stating "Customer support is available weekdays between 8:30am - 3:30pm at 401-574-8484 or you can e-mail support at taxportal@tax.ri.gov at any time." Below this is a warning: "Don't have your PIN? Unable to log in to your account? Many forms can be filed and paid without a PIN using our Same Day Services. The File a Form link is located on the bottom left of this page."
- Popular Services:** A list of links including "Tax Forms", "Administrative Decisions", "Advisories", "Where's My Refund", "Business Registration", "Reports", "Regulations", "Newsletters", "Contact Us", "Liquor License Renewals – Certificates of Good Standing", and "Individual Mandate Reporting - NEW".
- Don't Have a Portal User Account?:** A section with a "Create a New User" link.
- Use our Same-Day Services:** A section with links for "Make a Payment (same day withdrawal)" and "File a Form (alone or with payment)".
- Frequently Asked Questions:** A section with links for "Guest Bill Payments (Video)", "Guest Filing (Video)", "Portal Registration (Video)", and "Portal User Guide".

A large image of the Rhode Island State Capitol building is positioned in the lower right quadrant of the page.

# How do I file/pay? The Division of Taxation Taxpayer Portal


## Step 4: Link User ID to Taxation using PIN.



The screenshot displays the user interface of the Rhode Island Division of Taxation Taxpayer Portal. At the top left is the state logo and the text "STATE OF RHODE ISLAND Division of Taxation Department of Revenue". At the top right is a "Log Out" link. Below this is a navigation bar with "Home", "Edit Personal Info", and "Message Center" (with a dropdown arrow). The main content area features a welcome message on the left: "Welcome, [blacked out name]. You last logged in on Friday, 08/26/2022 09:13 AM". On the right is a "Complete Your Registration" section with two paragraphs: "Administrator Users - To complete your initial registration, at least one portal user must be assigned this role before any additional Users can be registered. This individual will have the widest range of portal permissions. This individual may also authorize other individuals to access taxpayer account information. Register as an Administrator User [here](#)" and "Authorized Users - If you will perform tax functions on behalf of a taxpayer, provide your User ID to the taxpayer's administrator to be granted access to a taxpayer's online account." The footer contains "Rhode Island Division of Taxation. All rights reserved." and a "Contact Us" link.

# How do I file/pay? The Division of Taxation Taxpayer Portal

## Step 4: Link User ID to Taxation using PIN. (continued)




STATE OF RHODE ISLAND  
Division of Taxation  
Department of Revenue

[Log Out](#)

[Home](#) [Profile Information](#) [Account Inquiry](#) [Online Transactions](#) [Message Center](#) [Service Requests](#)

[Profile Information](#) / [Authorized Businesses](#)

Select one of the options below 

Progress

Please review the options below and select the one that best fits your registration scenario. Businesses will need their FEIN. Sole Proprietors will need their Social Security Number (SSN). You should have received a letter from the Division of Taxation with a Personal Identification Number (PIN). You will need this number to complete your registration. If you have not received a PIN or don't remember it, please [Contact Us](#).

I am adding administrator authorization and have an FEIN and my required PIN.

I am adding administrator authorization and have an SSN and my required PIN.

[← BACK](#) [CANCEL](#) [NEXT](#)

Rhode Island Division of Taxation. All rights reserved. [Contact Us](#)

# How do I file/pay? The Division of Taxation Taxpayer Portal

**Same-Day/Guest Services:** Certain types of payments and filings can be made using Same-Day Services/Guest Payment functionality.

**You can make a payment, file a form, or file a form with a payment.**

# How do I file/pay? The Division of Taxation Taxpayer Portal

## Same-Day/Guest Services:

STATE OF RHODE ISLAND  
Division of Taxation  
Department of Revenue

Home

Home / Make a Payment

**Make a Payment** ?

Select the type of payment you wish to make.

\* indicates required field

\* Type of Payment

- BILL PAYMENT
- ESTIMATED PAYMENT
- EXTENSION PAYMENT
- WITHHOLDING PAYMENT

NEXT

Select payment type

\* Type of Payment

Composite  
Corporate  
Fiduciary  
Personal Income

\* Type of Payment

\* Account

\* Form Type



# How do I file/pay? The Division of Taxation Taxpayer Portal

**Same-Day/Guest Services: Sales Tax, Hotel Tax, Meals and beverage Tax, Hard-to-Dispose Tax, and Annual Reconciliation are some of the options available to Same-Day/Guest filers.**

STATE OF RHODE ISLAND  
Division of Taxation  
Department of Revenue

Home

**Member Sign In**

User ID  
Please Enter User ID

Password  
Password

**SIGN IN**

[Forgot User ID? Forgot password?](#)

**New User?**

[Create a New User](#)

**Don't Have a Portal User Account?**

Use our Same-Day Services  
[Make a Payment \(same day withdrawal\)](#)  
[File a Form \(alone or with payment\)](#)

Customer support is available weekdays between 8:30am - 3:30pm at 401-574-8484 or you can e-mail support at [taxportal@tax.ri.gov](mailto:taxportal@tax.ri.gov) at any time.

**Don't have your PIN? Unable to log in to your account? Many forms can be filed and paid without a PIN using our Same Day Services.**  
The File a Form link is located on the bottom left of this page.

**Popular Services**

- [Tax Forms](#)
- [Administrative Decisions](#)
- [Advisories](#)
- [Where's My Refund](#)
- [Business Registration](#)
- [Reports](#)
- [Regulations](#)
- [Newsletters](#)
- [Contact Us](#)
- [Liquor License Renewals - Certificates of Good Standing](#)
- [Individual Mandate Reporting - NEW](#)

**Frequently Asked Questions**

- [Guest Bill Payments \(Video\)](#)
- [Guest Filing \(Video\)](#)
- [Portal Registration \(Video\)](#)
- [Portal User Guide](#)

# How do I file/pay? The Division of Taxation Taxpayer Portal

## Same-Day/Guest Services:

**Guest Returns**

If you are a registered Rhode Island Division of Taxation's Portal user, please log in to your account to file your return.  
If you are not a registered Rhode Island Division of Taxation's Portal user, you can **file and pay the following Business taxes** online using ACH Debit.

[File and pay a Sales Tax Return \(Monthly or Quarterly Filers\)](#)  
[File and pay a Meals and Beverage Tax Return \(Monthly or Quarterly Filers\)](#)  
[File and pay a Hotel Tax Return](#)  
[File and pay a Prepaid Wireless Telecommunications Tax Return \(Monthly or Quarterly Filers\)](#)  
[File and pay a Hard-to-Dispose Tax Return](#)  
[File and pay a Sales and Use Tax Reconciliation](#)

**Authentication**

\* ID Type

\* ID

\* Sales & Use Filing Payment within the last year \$

\* Name:

\* Account: SALES/FILING

\* ID: Account ID

\* Form Type: SALES TAX MONTHLY RETURN

\* Return Type

\* Filing Method: DATA ENTRY

\* Filing Period



# How do I file/pay? The Division of Taxation Taxpayer Portal

**Same-Day/Guest Services: After filling out demographic information you will answer qualifying questions, such as notice ID number or AGI. You can then file a return.**

The screenshot shows the 'Make a Payment - Contact Information' page on the Rhode Island Division of Taxation Taxpayer Portal. The page header includes the state logo and 'STATE OF RHODE ISLAND Division of Taxation Department of Revenue'. A breadcrumb trail shows 'Home / Make a Payment'. A message box states: 'Please complete the fields below to continue with your payment. A valid email address must be provided in order to receive important messages regarding your portal activities'. A red asterisk indicates required fields. The 'Submitter Information' section contains the following fields: First Name, Last Name, Position, Daytime Phone, Extension, Mobile Phone, Email, and Confirm Email. A reCAPTCHA 'I'm not a robot' checkbox is located at the bottom. 'CANCEL' and 'NEXT' buttons are positioned at the bottom left and right respectively.

STATE OF RHODE ISLAND  
Division of Taxation  
Department of Revenue

Home

[Home](#) / [Make a Payment](#)

**Make a Payment - Contact Information**

Please complete the fields below to continue with your payment. A valid email address must be provided in order to receive important messages regarding your portal activities

\* indicates required field

**Submitter Information**

\* First Name

\* Last Name

Position


\* Daytime Phone

Extension

Mobile Phone

\* Email

\* Confirm Email

I'm not a robot  reCAPTCHA  
Privacy - Terms

**CANCEL** **NEXT**

# You are invited!

- Taxpayer Portal invites you to join us during one of our regularly hosted virtual training sessions!
- We present a live in-Portal session to inform and enlighten taxpayers and tax professionals. Answer questions to increase your knowledge and comfort. All within the Taxpayer Portal through interactive virtual sessions.
- Sign up for email updates at [www.tax.ri.gov](http://www.tax.ri.gov) to receive notifications of training sessions.

## Section Contact Information

### Taxation Self-Service Portal Help

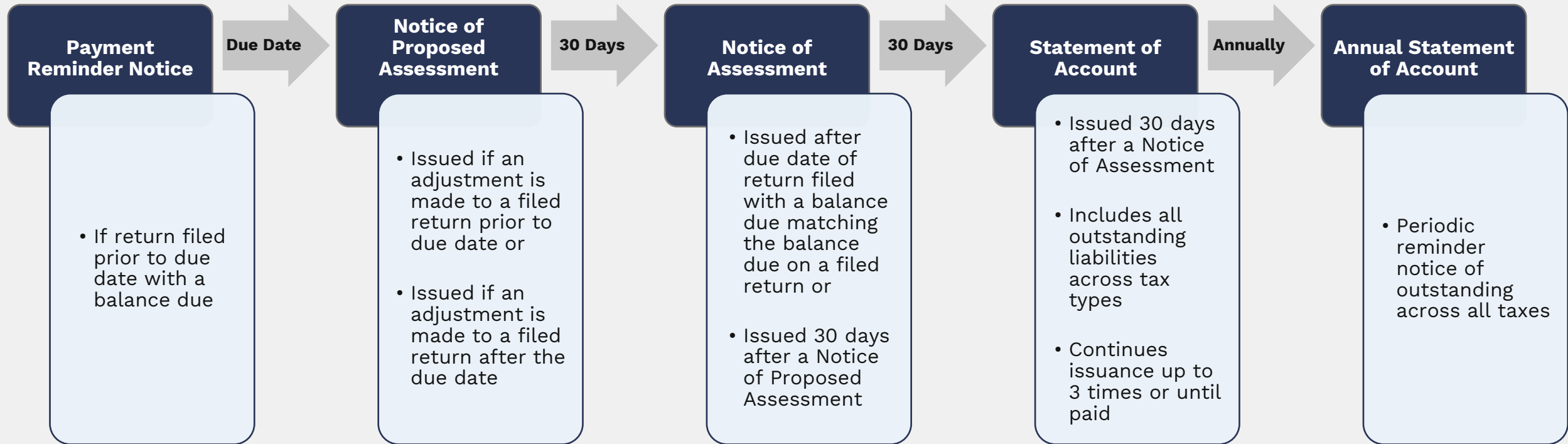
- Phone: 401-574-8484
- Email: [taxportal@tax.ri.gov](mailto:taxportal@tax.ri.gov)

Help includes PIN requests, setting up an online account, filing a return on the Portal or making a Portal payment.

# Leo Lebeuf

## Taxpayer Experience Liaison

# State Tax Notices Timeline



# State Tax Notices Timeline

- Other assessment notices
  - Compliance Notices – similar to a NOPA
    - CP 2000 – match to federal audit change notice
    - Federal State Match – matching state filing to federal filing for discrepancies
    - IRMF – matching federal income sources to RI non-filers
    - IRTF – Filed federal return with no RI return
  - Audit Notices
    - Audit Notice of Assessment
    - Responsible Officer Notice of Assessment
  - Overpayment Adjustment Notice



# Taxpayer Experience Office

## Industry Library Initiative

- Beginning with Restaurant and Hospitality Industry
- Developing a comprehensive guide
  - Segmented brochures
- Goal: to help businesses achieve and maintain voluntary compliance
- [The Restaurant Industry & Rhode Island Tax Guide for Businesses](#)

# Credits Updates

- Prevailing Wage
  - Senate Bill 2551, Substitute B effective 01/01/23
  - Construction projects greater than \$10M under Historic Preservation Tax Credits 2013 and Rebuild RI Tax Credit require workers to be paid wages and benefits in accordance with R.I. Gen Laws § 37-13 et al. and receive certification from the Department of Labor and Training
- Tax Credit Sunset Extensions and increased funding
  - Historic Preservation Tax Credit 2013 extended to 06/30/2023 and provided an additional \$28M in funding
  - Motion Picture Production Tax Credits increased to \$40M for 2023 and 2024
  - RI New Qualified Jobs Tax Credit 2015 extended to 12/31/2023
  - Rebuild RI Tax Credit extended to 12/31/2023
  - Stay Invested in Wavemaker Fellowship program expanded to include healthcare professions and extends sunset to 12/31/2023

# Susanna Coburn

## Chief

### Audit & Investigation

# Sales Tax Exempt Organizations

## R.I. Gen. Laws 44-18-30(5)(i)

- *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

## What is a qualified sale?

- *Purchase must be made by the organization for its own purposes*
- *Payment must be made by the organization*
  - *Payment should be made by the exempt entity by form of credit card or check*
  - *A member belonging to an exempt organization must pay the tax when purchasing for individual use or consumption*

# Sales Tax Exempt Organizations

## Sample of an “old” Certificate of Exemption

Department of Revenue  
DIVISION OF TAXATION  
One Capitol Hill  
Providence, RI 02908-5800

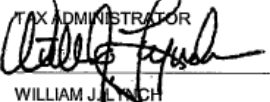
CERTIFICATE OF EXEMPTION

**[REDACTED]**  
**[REDACTED]**  
**[REDACTED]**

THIS IS TO CERTIFY THAT THE ABOVE-NAMED INSTITUTION HAS QUALIFIED FOR EXEMPTION PURSUANT TO THE PROVISIONS OF THE RHODE ISLAND SALES AND USE TAX ACT, CHAPTER 18, TITLE 44, OF THE GENERAL LAWS OF 1956, AS AMENDED, AND IS ACCORDINGLY EXEMPT FROM THE PAYMENT OF THE SALES TAX ON SALES MADE TO IT AND FROM THE USE TAX ON THE STORAGE, USE OR OTHER CONSUMPTION OF TANGIBLE PERSONAL PROPERTY BY IT.

**THIS CERTIFICATE DOES NOT EXPIRE AND IS GOOD FOR THE EXISTENCE OF THE ORGANIZATION.**

DAVID M. SULLIVAN  
TAX ADMINISTRATOR

BY:   
WILLIAM J. LYNCH  
CHIEF REVENUE AGENT  
FIELD AUDIT SERVICE

CERTIFIED NUMBER: **[REDACTED]**

DATE ISSUED: June 2, 2011

# 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

## Form EXO-SUE

## Sales & Use Exemption for an Exempt Organization

State of Rhode Island Division of Taxation  
**Form EXO-SUE**  
Sales & Use Exemption for an Exempt Organization

  
22170499990101

Name of organization	Federal employer identification number		
Address	City, town or post office	State	ZIP Code
Mailing address (if different from above)	City, town or post office	State	ZIP Code

**APPLICATION/RENEWAL FOR CERTIFICATE OF EXEMPTION FOR AN EXEMPT ORGANIZATION FROM THE RHODE ISLAND SALES AND USE TAX**

Pursuant to R.I. Gen. Laws § 44-18-30.1, a certificate of exemption from the Rhode Island sales and use tax under § 44-18-30(5)(i) shall be valid for four (4) years from the date of issue. Accordingly, the certificate of exemption must be renewed prior to the expiration date of the certificate.

Contact name (if different from applicant): \_\_\_\_\_

Contact telephone number: \_\_\_\_\_

Contact email address: \_\_\_\_\_

**PART 1** Check the type of organization claiming exempt status:

Hospital not operated for a profit     Educational institution     Church     Orphanage

Nonprofit organized sporting leagues     Parent-teacher associations     Interest-free loan associations

Other institution or organization operated exclusively for religious or charitable purposes     Organized nonprofit Golden Age and Senior Citizens Clubs     State chapter of the following national vocational student organizations: DECA; FBLA/PBL; FFA; FHA/HERD; VICA

**PART 2**

1. If the organization is a branch or chapter, has the parent organization received an exemption from federal income tax?  
 Yes     No    If yes, attach a current letter from the parent organization certifying that the sub unit is a member.

2. Check the appropriate box to indicate the type of organization:  
 Corporation     Other

**PART 3** The following documents are required and must be submitted along with this form:

- \$25.00 non-refundable fee payable to the Rhode Island Division of Taxation;
- Determination letter from the IRS, indicating federal identification number and confirming tax-exempt status;
- Copy of articles of incorporation and bylaws; and
- Additional documentation as requested.

Please note, the organization is responsible to file all state tax returns administered by the Division of Taxation as required by law. All tax, interest, and penalty balances due in relation to this obligation must be paid. Failure to comply may result in accruing interest and collection activity in accordance with Rhode Island law.

Under penalties of perjury, I declare I have examined this Form and statements made herein, and to the best of my knowledge and belief, it is true, accurate and complete. I also certify this organization is neither a lodge, social, fraternal, trade or professional organization, nor any other type of nonprofit organization not listed above.

Authorized officer signature	Print name	Date	Telephone number
_____	_____	_____	_____


Mail your completed application and payment to:  
RI Division of Taxation - Audit & Investigation Unit - One Capitol Hill - Providence, RI 02908  
If you have any questions, contact us by calling (401) 574-8962 or emailing [Tax.Audit@tax.ri.gov](mailto:Tax.Audit@tax.ri.gov)

New  
05/2022




# Sales Tax Exempt Organizations


Sample of new, valid  
Certificate of Exemption

 State of Rhode Island  
DIVISION OF TAXATION  
One Capitol Hill  
Providence, RI 02908-5800


Phone: (401) 574-8962  
TTY Via 711  
Fax: (401) 574-8916


10/28/2021

 **CERTIFICATE OF EXEMPTION**

Notice ID: 

THIS IS TO CERTIFY THAT THE ABOVE-NAMED INSTITUTION HAS QUALIFIED FOR EXEMPTION PURSUANT TO THE PROVISIONS OF THE RHODE ISLAND SALES AND USE TAX ACT, CHAPTER 18, TITLE 44, OF THE GENERAL LAWS OF 1956, AS AMENDED, AND IS ACCORDINGLY EXEMPT FROM THE PAYMENT OF THE SALES TAX ON SALES MADE TO IT AND FROM THE USE TAX ON THE STORAGE, USE OR OTHER CONSUMPTION OF TANGIBLE PERSONAL PROPERTY BY IT.

  
NEENA S. SAVAGE  
TAX ADMINISTRATOR

CERTIFICATE NUMBER: 

DATE ISSUED: 10/28/2021

EXPIRES: 10/29/2025

# Sales Tax Exempt Organizations



Dear Taxpayer,

The Division of Taxation is taking this opportunity to inform you that any sales tax exemption certificates you have on file, *may have expired on June 30, 2021* and will require an updated certificate.

The Rhode Island General Assembly passed a law in 2017 that provides for certificates of exemption under R.I. Gen. Laws § 44-18-30(5)(i), for charitable, educational, and religious organizations, to be valid for four (4) years from the date of issuance. The law further provides that all certificates of exemption issued prior to July 1, 2017, the effective date of the law, expire four (4) years from July 1, 2017.

As a result, for any certificate of exemption *issued prior to July 1, 2017*, the certificate *expired on June 30, 2021*.

All Rhode Island retailers must obtain a copy of a valid sales tax exemption certificate at the time of sale to an exempt organization. In order to ensure validity of the exemption certificate, retailers must review the expiration date and confirm that the exemption certificate has not expired. If the exemption certificate has expired, the exemption must not be honored.

As a helpful resource, the Division has posted an advisory, which can be found on its website at <https://tax.ri.gov/tax-sections/audit/sales-tax-exempt-organizations>.

A sample of a valid sales tax exemption certificate is shown on the back of this notice.

If you have any questions, contact the Division's Audit & Investigation Section at (401) 574-8962, or email: [Tax.Audit@tax.ri.gov](mailto:Tax.Audit@tax.ri.gov).

Thank you.

Division of Taxation



State of Rhode Island  
DIVISION OF TAXATION  
One Capitol Hill  
Providence, RI 02908-5800



Phone: (401) 574-8962  
TTY: Vis 711  
Fax: (401) 574-8916

12/14/2021

## CERTIFICATE OF EXEMPTION

SAMPLE EXEMPT ORGANIZATION  
123 MAIN STREET  
PROVIDENCE RI 02909

Notice ID: 10011670209

THIS IS TO CERTIFY THAT THE ABOVE-NAMED INSTITUTION HAS QUALIFIED FOR EXEMPTION PURSUANT TO THE PROVISIONS OF THE RHODE ISLAND SALES AND USE TAX ACT, CHAPTER 18, TITLE 44, OF THE GENERAL LAWS OF 1956, AS AMENDED, AND IS ACCORDINGLY EXEMPT FROM THE PAYMENT OF THE SALES TAX ON SALES MADE TO IT AND FROM THE USE TAX ON THE STORAGE, USE OR OTHER CONSUMPTION OF TANGIBLE PERSONAL PROPERTY BY IT.

A handwritten signature in black ink, appearing to read 'Nsavage'.

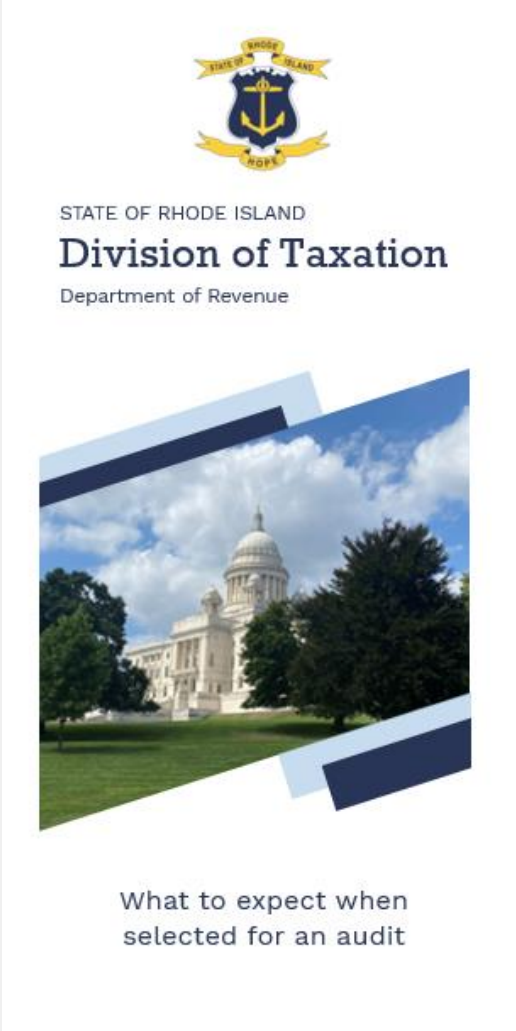
NEENA S. SAVAGE  
TAX ADMINISTRATOR

CERTIFICATE NUMBER: 233877934

DATE ISSUED: 12/14/2021

EXPIRES: 12/15/2025

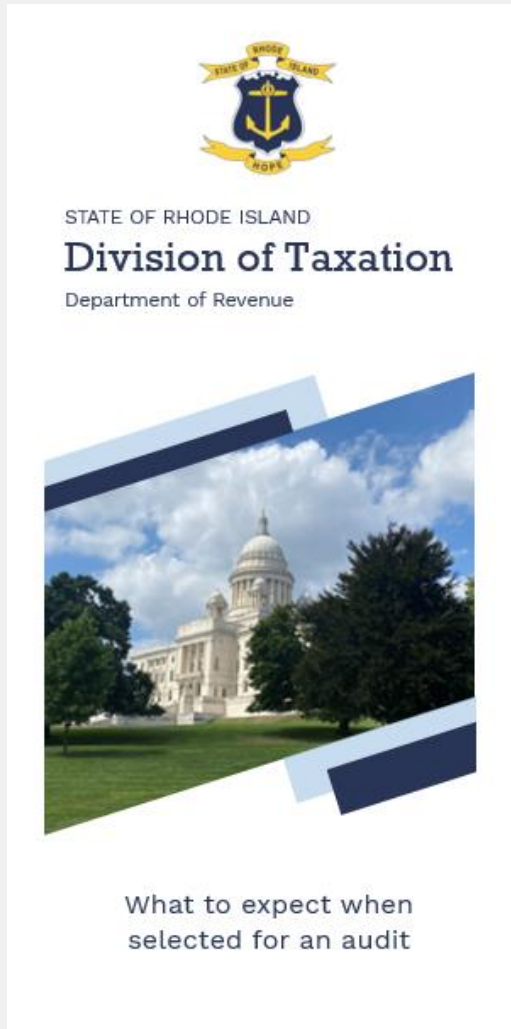
# What to Expect During an Audit



## Contacting the Taxpayer

The Audit Contact Letter is sent to the taxpayer, identifying the auditor assigned to the case. This letter includes a return contact page that should be filled out by the taxpayer with the entity's contact information and sent back to the auditor. Please feel free to call or email the auditor prior to sending the contact page with your information or any questions.

# What to Expect During an Audit




## Preliminary Meeting


A preliminary meeting is held to discuss the following:

- The entity's business activities
- Determination of the audit period, location, date, and time to begin field review
- Arranging a plant tour (if applicable)
- Determination of records to be reviewed
- Any taxpayer questions

# What to Expect During an Audit



STATE OF RHODE ISLAND  
**Division of Taxation**  
Department of Revenue

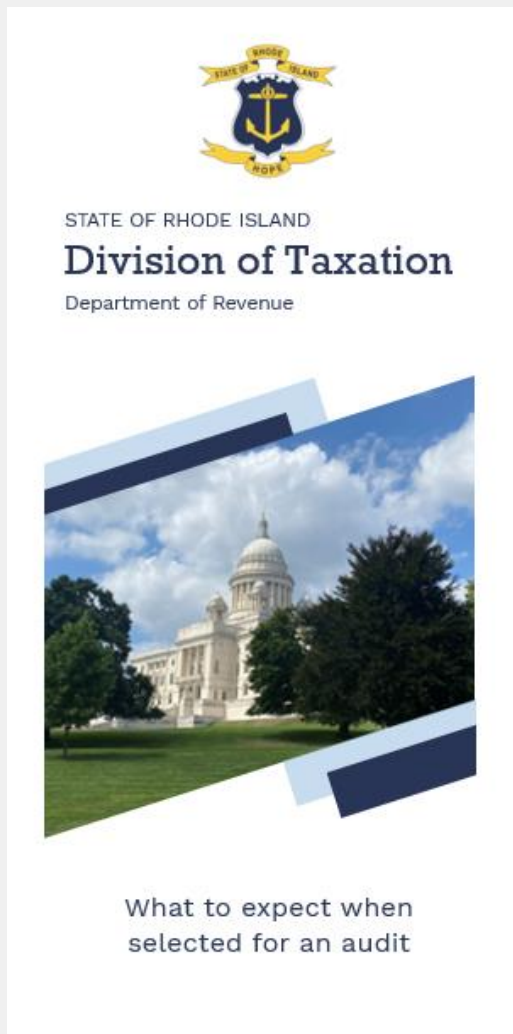


What to expect when selected for an audit



The assigned auditor reviews all taxes applicable to the entity. Audit work papers are compiled by the auditor which will list the taxes examined and any pending assessment. At the conclusion of the review, preliminary workpapers are given to the taxpayer for review.

# What to Expect During an Audit




## Post Audit Meeting

After a reasonable amount of time to review the preliminary workpapers, a closing conference is held to review and finalize the audit. During this meeting, the following may be discussed:


- The taxpayer may present additional support to adjust audit findings
- Rhode Island General Laws and Regulations applicable to the audit review
- Any questions or concerns
- Any corrective actions that should be taken by the taxpayer

Final workpapers will be sent to the taxpayer for review

# What to Expect During an Audit



STATE OF RHODE ISLAND  
**Division of Taxation**  
Department of Revenue



What to expect when selected for an audit

## Billing of Assessment

A Notice of Assessment is generated after the close of the examination and mailed to the taxpayer. As with all Notice of Assessments, the taxpayer retains the right to protest the assessment within 30 days.

# Audit and Investigations Section

What records should a taxpayer have available?

- Federal & State Income Tax returns
- Copies of all state tax returns filed and backup detail
- Sales Records and credit card receipts including
  - Any exemption certificates
  - Daily sales receipts/reports
  - Merchant statements and 1099K forms
  - Delivery slips
- Purchase invoices and ledger listings
- Asset schedules and invoices
- Bank statements, General Ledger and chart of accounts
- Other records as requested



## Section Contact Information

### Audit & Investigation

- Phone: 401-574-8962
- Email: [Tax.Audit@tax.ri.gov](mailto:Tax.Audit@tax.ri.gov)

### Fraud Hotline

- Phone: 401-574-TIPS (8477)
- Online: [Report Rhode Island Tax Fraud](#)

# Ian Beauregard

## Supervising Revenue Officer

### Compliance, Collections & Registration

# Collections and Compliance

- DMV/Professional License and Registration Blocks
- Sales Permit Block Program
- Treasury & Vendor Offset Programs
- Letters of Good Standing
- Liquor License Certificate of Good Standing
- Liens & Levies
- Installment Agreements
- Offer in Compromise
- Employee Leasing

# Collections and Compliance

- FY 2022 Statistics
  - 57,478 phone calls
  - 6,674 walk-ins
  - Approximately 41,965 emails
- Collections FY 2020 - \$35,350,455
- Collections FY 2021 - \$34,465,395
- Collections FY 2022 - \$40,044,923

# Collections and Compliance

## What's new in Collections and Compliance?

- New Business Registration Assistance
  - Contacting new registrants to confirm understanding of filing requirements
- Virtual Appointment Pilot Program
  - Beginning with Sales Block notices
- Portal Self Service Kiosk
  - Assistance for setup/use by appointment
  - Need access to email during appointment
- Interest Rate Reduction for non-trust funds
  - Minimum of 12% for most taxes
  - Minimum of 18% remains for trust fund portion of Sales and Withholding taxes

# Collections and Compliance

- Letters of Good Standing
  - Received 6,659 applications for the calendar year 2021
  - 22% able to be issued without additional information
  - Mailed nearly 5,192 Additional Information letters to contacts
  - 35% do not respond to these letters

# Collections and Compliance

- Entity must be compliant for all required tax returns, payments, and fees for all requests of Letters of Good Standing
  - Major Sale LOGS Requirements
    - An application for LOGS (§ 44-11-29)
    - Proforma RI Tax Return with payment through date of sale. Must reflect the sale.
    - Copy of Proforma Federal tax return (Form 4797/Sch. D)
    - 1096PT/PTE return needed if there is a gain with Non-resident members
    - Purchase and Sales Agreement
    - All other taxes must be filed and all balances paid

# Collections and Compliance

- Liquor License Renewal
  - Approximately 2,200 Certificate of Good Standing for Liquor Renewal applications were mailed
  - Application was due on 09/14/2022.
  - All taxes must be filed and balances paid ([§ 3-7-24](#))
  - If Revoked with SOS, entity must request a LOGS for reinstatement to receive a Certificate of Good Standing for their Liquor License Renewal
  - Certificate of Good Standings issued are listed on [www.taxportal.ri.gov](http://www.taxportal.ri.gov)



# Collections and Compliance

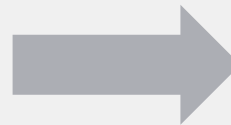
- Levy Program
  - Liability must be in Collections
  - Notifications
    - Bills have already been sent to the taxpayer
    - Taxpayer is mailed a 10 Day Demand for Taxes Due
    - If there is no resolution, the taxpayer is mailed a Notice of Intention To Levy (30 Day Reply)
  - Resolutions
    - Taxpayer must be in compliance with all filings
    - Prior to a levy, the taxpayer may satisfy their debt, enter into an installment agreement or voluntary wage garnishment
    - If a levy has already occurred, Taxation may consider a levy reduction based on various circumstances

# Collections and Compliance

## Installment Agreements: What You Need to Know

### Requirements:

- Complete Installment Agreement Request: [Form RI-9465](#)
- Full compliance with all filing requirements



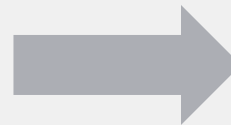
### High likelihood for approval:

- You have a total balance greater than \$1,000
- Remit 50% Down
- Remaining balance must be paid in 12 installments or less



### You may still be approved if you complete these steps:

- Complete Income/Expense Statement section of form RI-9465, Installment Agreement Request for review
- Provide any backup documentation requested



### Moving forward:

- Must continue to stay in compliance with filings and payments
- Interest and penalties continue to accrue until tax portion of liability is paid in full (if applicable)

# Collections and Compliance

## Offers in Compromise: What You Need to Know

### Qualifications:

- If debt is excessive, illegal, or uncollectible [Regulation 280-RICR-20-00-6](#)

### Requirements:

- Complete [Form RI-656](#)
- Complete [Form 433A](#) or [Form 433B](#)
- Full compliance with all filing requirements

### Documentation Needed:

- Financial Statements and verification of reason request may be required

# Section Contact Information

Compliance &  
Collections  
Including Letters  
of Good Standing

- Phone: 401-574-8941
- Email: [Tax.Collections@tax.ri.gov](mailto:Tax.Collections@tax.ri.gov)

# Thank you



STATE OF RHODE ISLAND

## Division of Taxation

Department of Revenue

### Contact Us

[Tax.Outreach@tax.ri.gov](mailto:Tax.Outreach@tax.ri.gov)

One Capitol Hill

Providence, RI 02908



STATE OF RHODE ISLAND

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