



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

RICTC Meeting

January 25, 2023

# Agenda

- Neena Savage-Tax Administrator
  - About The Division
  - Introducing the Taxpayer Experience Office
  - How We Can Make Your Experience Better
  - Taxpayer Refund Offset Program
- Leo Lebeuf-Taxpayer Experience Liaison
  - Using the Taxpayer Portal
  - Cannabis
  - Best Practices
- Q&A

# Neena Savage

## Tax Administrator

# About Us

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

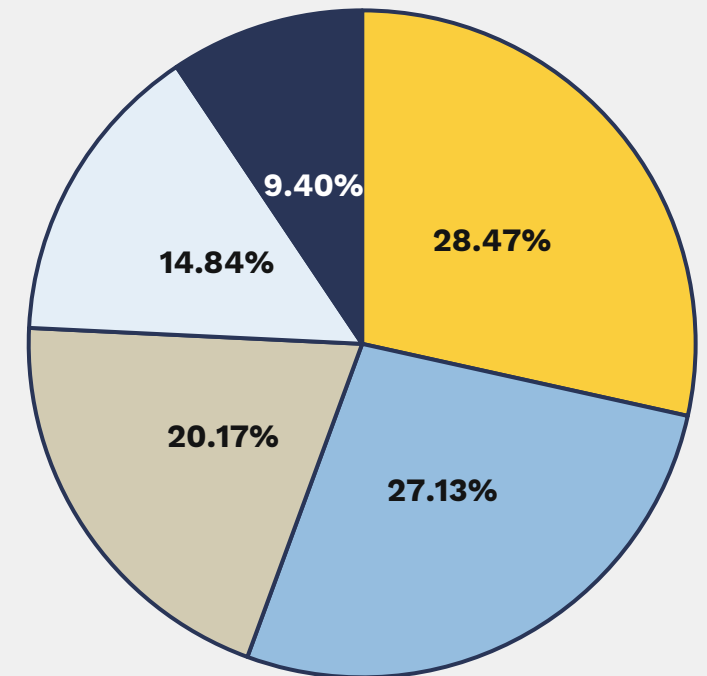
- The Rhode Island Division of Taxation employs **223 tax professionals**, administering more than **59 different taxes and fees**.
- Taxes represent **the most significant source of General Fund revenue** for Rhode Island – funds used to help pay for vital services including public safety, education, 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.

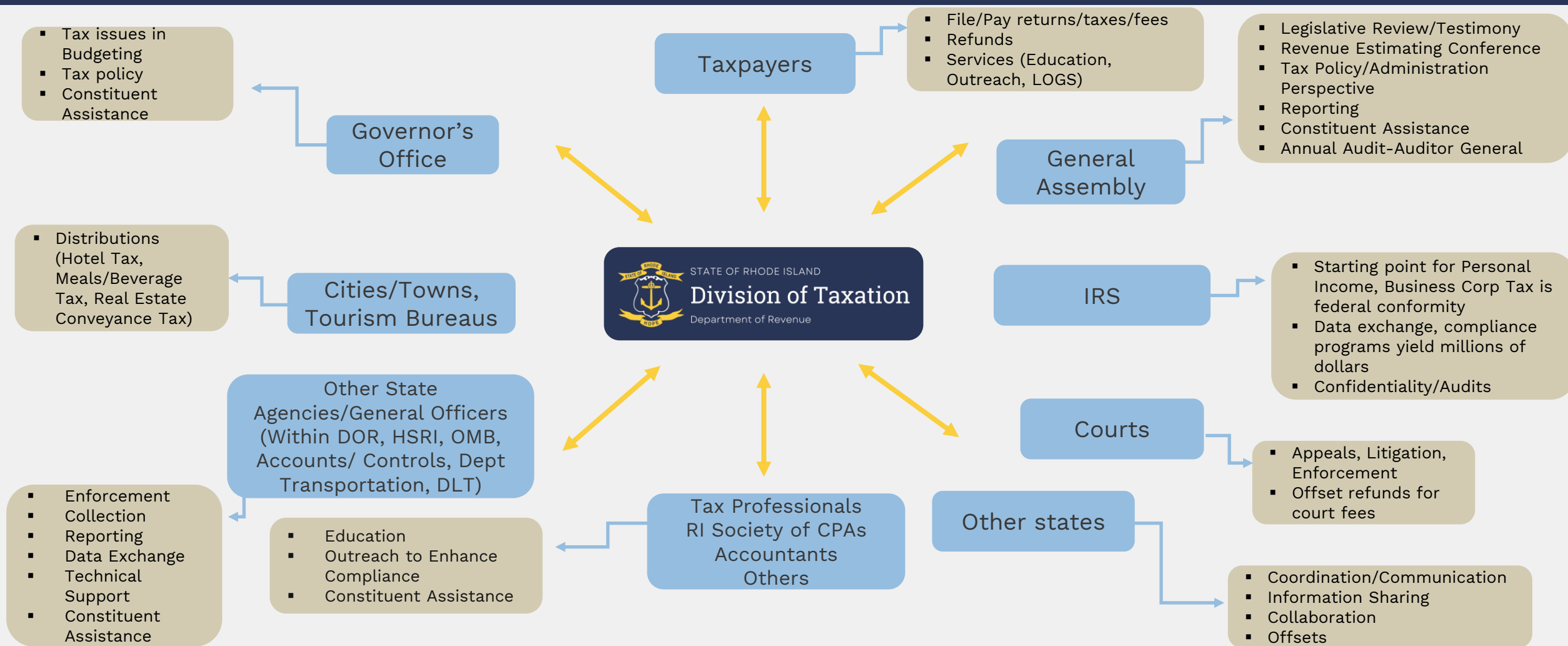
## Total State Tax Revenue Collected by the Division of Taxation for Fiscal Year 2022 (\$, In Millions)

FY22 Receipts: \$5B

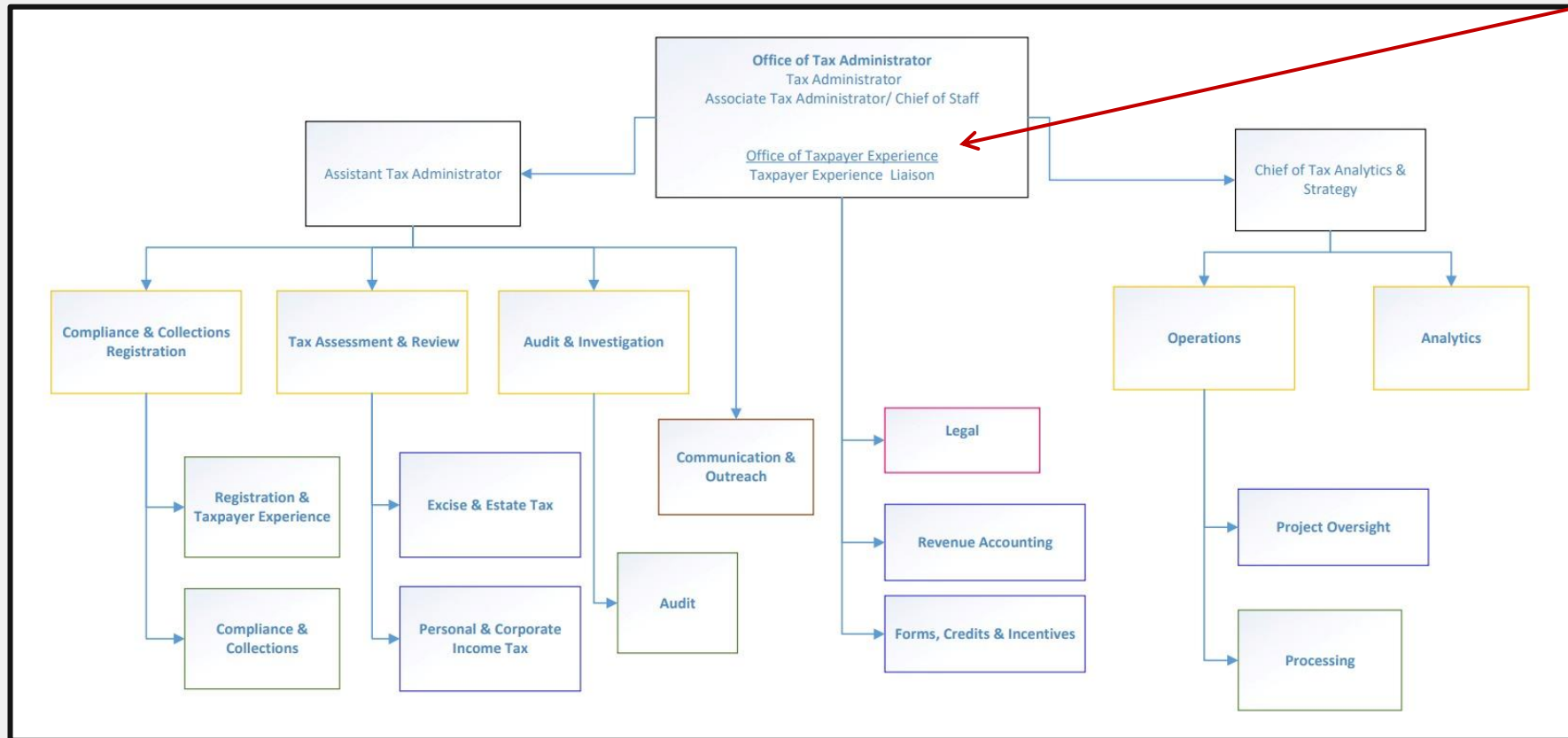


■ Withholding ■ Sales ■ Corp ■ PIT ■ Estate, M&B, Hotel & Other

# About Us: Key Stakeholders/Interactions



# Taxpayer Experience Office/Team



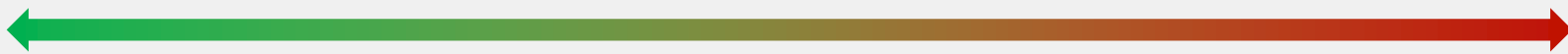
## Taxpayer Experience Office Team

- 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

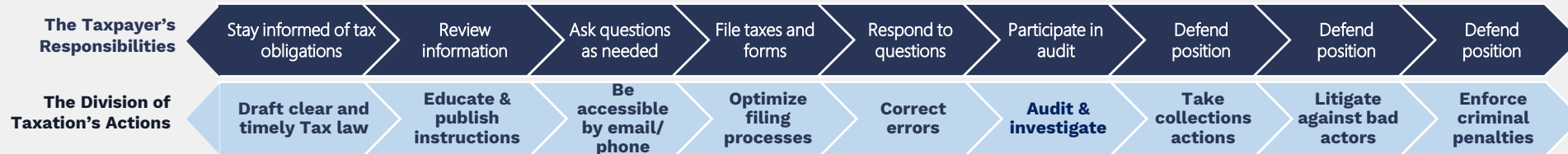
**VOLUNTARY COMPLIANCE**



**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**

# Recent City/Town Outreach Initiatives

- Streamlined Public Employee Compliance data requests;
- Worked within different divisions of cities/towns to ensure that all permits/exemptions/filings are up-to-date;
- Proactive Taxpayer Portal training on Real Estate Conveyance Tax Changes with Clerks;
- Proactive outreach to noncompliant cities/towns on compliance issues related to exemption requests/withholding accounts/filings.
- **RECOMMENDATION:** Register on Taxpayer Portal; Monitor Accounts.



# Income Tax Refund Offset Program

- R I Gen Laws § 42-142-7 allows Division of Taxation to contract with Cities/Towns to offset Personal Income Tax Refunds for tax debts
- Offset Packet provides details
  - Copy of statute
  - Overview
  - Contact information
  - File layouts/Requirements
  - Statistics
- Form Memorandum of Understanding

# Income Tax Refund Offset Program

- Benefits
  - No Cost for inclusion
  - Reduce outstanding debts/increase collections
  - Low maintenance/automated after testing
  - Immediate revenue with 30-day notice

# Income Tax Refund Offset Program

- Process
  - Request Participation (email is fine)
  - 30 Day Written Notice to Debtor
  - Sign MOU
  - Exchange of test file with technical team
  - Once approved, process can be repeated as often as necessary but required at least once per year
- Notes
  - Some vendors already have capabilities
  - Largest benefits in first two quarters of year
  - Good data = better results

# Income Tax Refund Offset Program: Statistics

## 4 PARTICIPATING CITIES AND TOWN STATISTICS

Government Entity	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Town of Bristol	\$ -	\$ -	\$ 14,390.52	\$ 12,148.64	\$ 8,926.27
Town of Burrillville	\$ 42,042.94	\$ 27,407.57	\$ 21,079.17	\$ 17,025.78	\$ 7,165.14
City of Central Falls	\$ 43,958.14	\$ 14,887.22	\$ 11,084.38	\$ 7,245.31	\$ 6,849.11
Town of Coventry	\$ 87,394.18	\$ 4,207.95	\$ 41,352.50	\$ 4,388.00	\$ 1,047.65
City of Cranston	\$ 287,738.89	\$ 180,132.93	\$ 93,124.20	\$ 41,561.82	\$ 128,142.45
City of East Providence	\$ 771,521.39	\$ 62,561.78	\$ 49,921.18	\$ 35,568.87	\$ 2,642.68
Harrisville Fire District	\$ -	\$ -	\$ -	\$ -	\$ -
Town of Johnston	\$ 240,287.64	\$ 199,281.16	\$ 106,082.19	\$ 144,058.01	\$ 17,307.08
Town of North Providence	\$ 49,352.65	\$ 67,346.03	\$ 85,862.20	\$ 71,526.70	\$ 32,220.42
City of Pawtucket	\$ 362,717.43	\$ 416,852.78	\$ 301,481.72	\$ 148,369.42	\$ 225,112.72
City of Providence	\$ 86,135.91	\$ 134,841.80	\$ 249,396.19	\$ 198,528.05	\$ 83,989.75
Town of Richmond	\$ 762.06	\$ 725.95	\$ 568.00	\$ 1,636.31	\$ 410.12
Town of Tiverton	\$ 970.44	\$ 235.13	\$ -	\$ -	\$ -
Town of West Warwick	\$ 148,067.87	\$ 102,238.48	\$ 120,612.95	\$ 98,648.41	\$ 28,889.99
City of Woonsocket	\$ 21,633.18	\$ 29,142.58	\$ 25,281.43	\$ 20,743.94	\$ 25,644.45
<b>TOTAL</b>	<b>\$ 2,142,582.72</b>	<b>\$ 1,239,861.36</b>	<b>\$ 1,120,236.63</b>	<b>\$ 801,449.26</b>	<b>\$ 568,347.83</b>

# Leo Lebeuf

## Taxpayer Experience Liaison

# Using the Taxpayer Portal

- Benefits of Portal
  - All taxes can be filed and paid from the same site
  - Future payment feature
    - Payments can be warehoused up to 364 days in advance on the Portal
  - Interactive to help ensure accurate filings with all required fields completed
  - All previous filing and payments for all tax types can be viewed
  - Banking information can be securely stored for future use
- Stats – 46,000 registered users have submitted 225K payments for over \$1B thus far in 2022

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

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" (with a placeholder "Please Enter User ID") and "Password", a "SIGN IN" button, and links for "Forgot User ID?" and "Forgot password?".
- New User?:** A link to "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 for "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

Get PIN from Taxation (call us at 401-574-8484 or email [taxportal@tax.ri.gov](mailto:taxportal@tax.ri.gov)).

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:

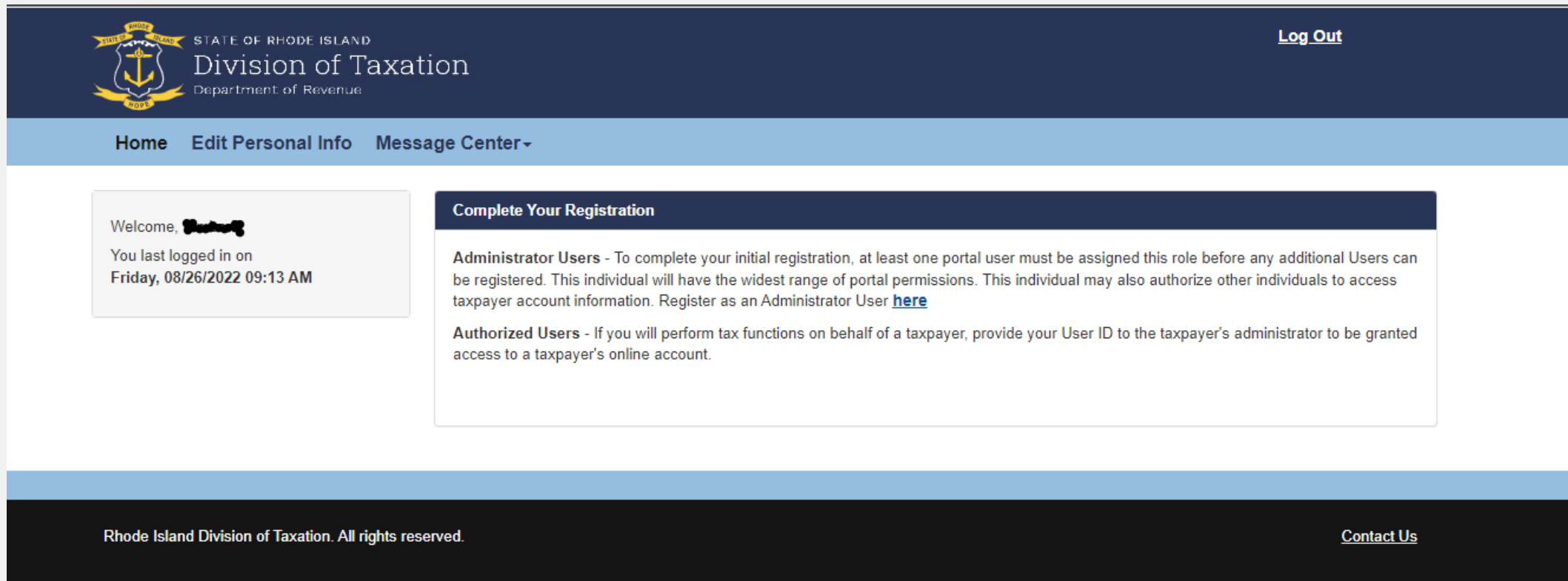
- Member Sign In:** A form with fields for "User ID" (with the placeholder "Please Enter User ID") and "Password" (with the placeholder "Password"). A "SIGN IN" button is below the fields. A link "Forgot User ID? Forgot password?" is at the bottom of the form. This section is circled in red.
- Customer 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](mailto: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.
- Don't Have a Portal User Account? (continued):** A section with links for "Use our Same-Day Services", "Make a Payment (same day withdrawal)", and "File a Form (alone or with payment)".
- Frequently Asked Questions:** A list of links including "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

## Link User ID to Taxation using PIN.



The screenshot shows the user interface of the Rhode Island Division of Taxation Taxpayer Portal. At the top left is the state seal and logo for the Division of Taxation, Department of Revenue. To the right of the logo is the text "STATE OF RHODE ISLAND" and "Division of Taxation Department of Revenue". In the top right corner, there is a "Log Out" link. Below the header is a navigation bar with links for "Home", "Edit Personal Info", and "Message Center". The main content area features a welcome message on the left and a "Complete Your Registration" section on the right. The footer contains the text "Rhode Island Division of Taxation. All rights reserved." and a "Contact Us" link.

STATE OF RHODE ISLAND  
Division of Taxation  
Department of Revenue

[Log Out](#)

[Home](#) [Edit Personal Info](#) [Message Center](#)

Welcome, **[Redacted]**  
You last logged in on  
Friday, 08/26/2022 09:13 AM

**Complete Your Registration**


**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](#)

**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.

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

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

## Link User ID to Taxation using PIN




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

The Account Administrator has access to all accounts

**Tax Accounts** 

Account Type 	ID 	Address 	Last Activity Date 	Current Balance 	Last Period Filed 
<a href="#">SALES/ RECONCILIATION</a>	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]	11/17/2022	\$10.21	12/31/2021
<a href="#">WITHHOLDING/ FILING</a>	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]	11/21/2022	(\$153,954.83)	09/30/2022
<a href="#">WITHHOLDING/ RECONCILIATION</a>	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]	01/13/2022	\$0.00	12/31/2020

Showing 6 to 8 of 8 entries



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

**Account summary shows status of period for the accounts**

Account Inquiry / View Tax Account Summary

### Account Summary ?

The information below provides you with a summary of the information that is currently known to the Division of Taxation. If the Mailing Address is incorrect, use [Service Requests](#) from the menu bar and create a new Service Request, "Update Tax Account Address". From this page there is direct navigation to [File a Return](#), [Make a Payment](#) or [View Correspondence History](#).

#### Account Details

Taxpayer Name	[REDACTED]	Effective Date	09/30/2014
Account Type	ADMIN/ REAL ESTATE AND MOBILE HOME	End Date	
Account ID	Account ID		
Account Status	OPEN		

#### Mailing Address

[REDACTED]

#### Phone Number

Phone Number  
Extension  
Foreign Number

#### Email Address

[REDACTED]

#### Account Functions

- Account Management ?
- File Taxes
  - [File a Return](#)
- Make Payments
  - [Make a Payment](#)
- Document Management
  - [View Account License](#)
  - [View Correspondence History](#)

#### Filing Periods ?

Period Start Date	Period End Date	Balance	Period Status	Return Filed
10/01/2022	10/31/2022	\$0.00	InBalance	Filed
09/01/2022	09/30/2022	\$0.00	InBalance	Filed
08/01/2022	08/31/2022	\$0.00	InBalance	Filed
07/01/2022	07/31/2022	\$0.00	InBalance	Filed
06/01/2022	06/30/2022	\$0.00	InBalance	Filed
05/01/2022	05/31/2022	\$0.00	InBalance	Filed
04/01/2022	04/30/2022	\$0.00	InBalance	Filed
03/01/2022	03/31/2022	\$0.00	InBalance	Filed
02/01/2022	02/29/2022	\$0.00	InBalance	Filed
01/01/2022	01/31/2022	\$0.00	InBalance	Filed

Showing 1 to 10 of 101 entries

Navigation: [Home] [Previous] [1] [2] [3] [4] [Next] [Home]

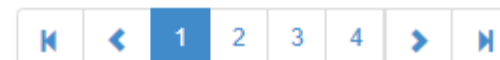
# How do I file/pay? The Division of Taxation Taxpayer Portal

**Overpaid periods where returns are not filed show those statuses. For escrow accounts like Real Estate conveyance, funds are not distributed to city/town without returns.**

## Filing Periods

Period Start Date	Period End Date	Balance	Period Status	Return Filed
10/01/2022	10/31/2022	\$0.00	InBalance	Filed
09/01/2022	09/30/2022	\$0.00	InBalance	Filed
08/01/2022	08/31/2022	\$0.03	Underpaid	Filed
07/01/2022	07/31/2022	(\$123,510.05)	Overpaid	Not Filed
06/01/2022	06/30/2022	(\$0.01)	Overpaid	Filed
05/01/2022	05/31/2022	\$0.00	InBalance	Filed
04/01/2022	04/30/2022	(\$0.02)	Overpaid	Filed
03/01/2022	03/31/2022	(\$123,485.28)	Overpaid	Not Filed
02/01/2022	02/28/2022	(\$0.01)	Overpaid	Filed
01/01/2022	01/31/2022	\$0.00	InBalance	Filed

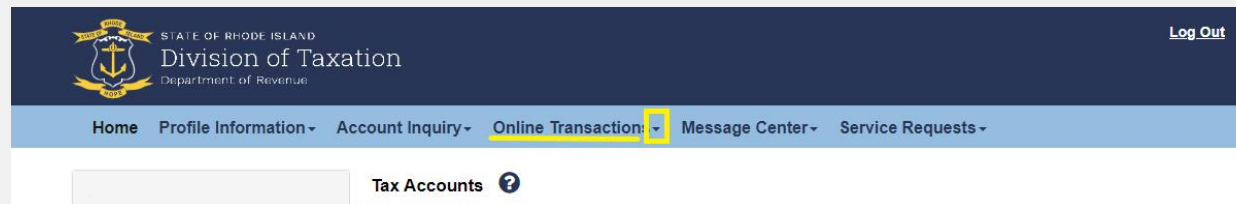
Showing 1 to 10 of 101 entries



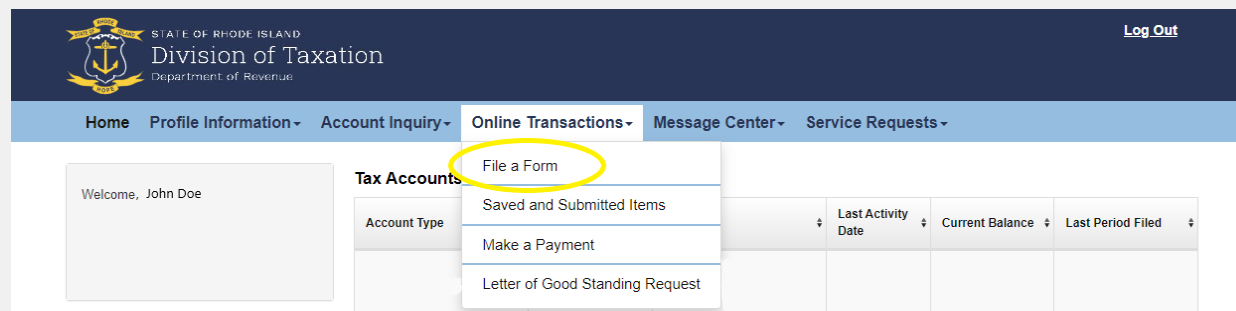
# How do I file/pay? The Division of Taxation Taxpayer Portal

## File a Form

From the Home screen select “Online Transactions” click on the small arrow to the right for drop-down menu.



In the drop-down menu select “File a Form.”



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

Complete the required drop-downs and select “Next”

Home Profile Information - Account Inquiry - Online Transactions - Message Center - Service Requests -

Online Transactions / File a Form

**File a Form** ?

To begin the process of filing a return, please provide the required information below. Some fields will be automatically updated based on the entry of the previous field. For Return Type, choose "Original" if you are filing a new return. To correct a previously filed form, use "Amended".

\* indicates required field

\* Name:

\* Account: ADMIN/REAL ESTATE AND MOBILE HOME

\* ID:

\* Form Type: CONVEYANCE TAX RETURN

\* Return Type:

\* Filing Method: ORIGINAL DOCUMENT  
AMENDED DOCUMENT

\* Filing Period:

CANCEL NEXT

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

**Complete all information needed and select Calculate.**

- **Complete each applicable tab**

Online Transactions / File a Tax Return

### Enter Tax Return - Tabular Form ?

To move between schedules, you can click on the schedule tab or click on the [Next] button and the page will automatically move you to the next schedule.

By clicking on the [Tax Return Instructions] button, the system will display the official copy of the tax form as found on the Division of Taxation website. Do not fill out this form. It is to be used as a reference for the tax information that you will provide below. After calculating your return, use the [Print] button to view and print a copy for your records.

Once you complete the tax form, you must click [Calculate] before submitting the return. Click the [Save] button if you want to save the return and complete at a later time. The saved return can be found under Online Transaction/Save and Submitted Items from the portal Menu bar. If you are filing using the Same Day Services option, some of this functionality may be unavailable. For full functionality, please register as a registered user for the portal.

Once the return has been submitted, you cannot edit or delete the return. You must return to the **File a Form** page, fill out the fields as before, except select **Return Type** of Amended.

**TAX RETURN INSTRUCTIONS**  
\* indicates required field

Return Header | **Schedule A** | Schedule B | Schedule B Total | Schedule C | Schedule C Total | Header Footer | Attachments

Line #	Line Item	
1	RE Tax Collected	\$ <input type="text"/>
2	RE Amount Retained by Municipality	\$ <input type="text"/>
3	Net RE Tax Due	\$ <input type="text"/>
4	Total RE Tax Collected	\$ <input type="text"/>
5	Mobile Home Tax Collected	\$ <input type="text"/>
6	Amount Retained by Municipality	\$ <input type="text"/>
7	Net Mobile Home Tax Due	\$ <input type="text"/>
8	Return Tax Due	\$ <input type="text"/>

**BACK** **NEXT**

**CANCEL** **SAVE AND CONTINUE** **CALCULATE** **SUBMIT**



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

## Summary Information An overview of the filing information is presented.

Home Profile Information- Account Inquiry- Online Transactions- Message Center- Service Requests-

Online Transactions / File a Tax Return

### 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.

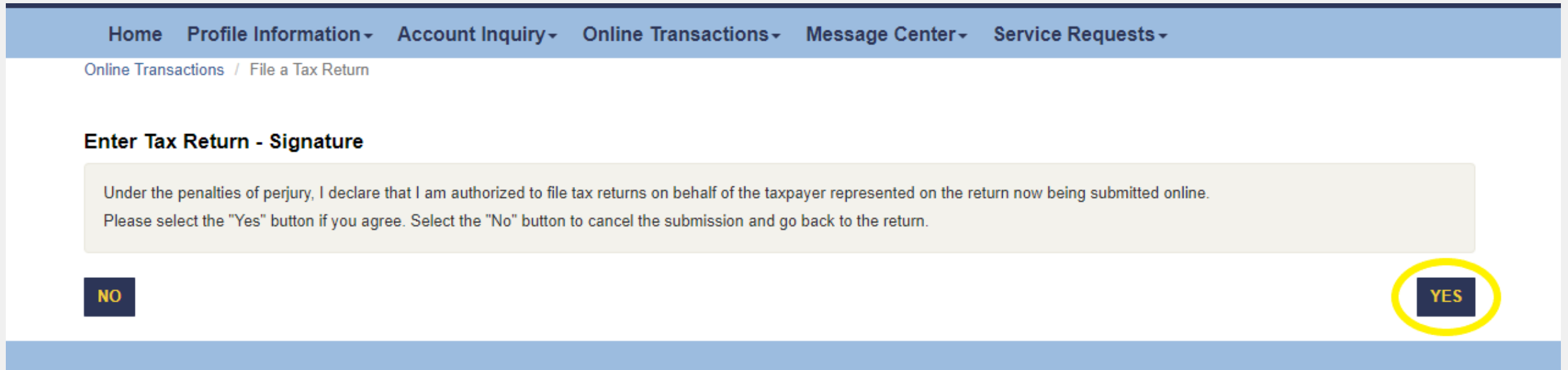
Total Tax	\$400.00
Total Payments Claimed	\$0.00
Forecasted Penalty Amount Due	\$0.00
Forecasted Underpayment Interest Due	\$0.00
Total Amount Due	\$400.00

[← BACK](#) [NEXT](#)

Select "Next"

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

**Tax return signature will prompt you for an electronic signature to verify that you are authorized to file tax return.**



The screenshot shows the 'Enter Tax Return - Signature' page. At the top, there is a navigation bar with links: Home, Profile Information, Account Inquiry, Online Transactions, Message Center, and Service Requests. Below this is a breadcrumb trail: Online Transactions / File a Tax Return. The main heading is 'Enter Tax Return - Signature'. A light yellow box contains the following text: 'Under the penalties of perjury, I declare that I am authorized to file tax returns on behalf of the taxpayer represented on the return now being submitted online. Please select the "Yes" button if you agree. Select the "No" button to cancel the submission and go back to the return.' At the bottom of the page, there are two buttons: 'NO' on the left and 'YES' on the right. The 'YES' button is circled in yellow.

**Select "Yes" to file return.**

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

**This screen confirms the submission of your return.  
Your next step is to make a payment.**

Online Transactions / File a Tax Return

## 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:

Please print or save this number for future reference.

**MAKE A PAYMENT NOW**

**PRINT RETURN**

**RETURN HOME**

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

**Complete Payment Amount and Payment Method, select Next.**

**Form Payment** [?](#) \* indicates required field

**Form Details**

<b>Taxpayer Name</b>	DEWY DECIMAL	<b>Period End Date</b>	12/31/2022
<b>Account</b>		<b>Amount Due</b>	\$400.00
<b>ID</b>	Account ID:0000000000	<b>Return Confirmation #</b>	FR.0000000000

<b>Total Tax</b>	\$400.00
<b>Forecasted Penalty</b>	\$00.00
<b>Amount Due</b>	
<b>Forecasted Underpayment</b>	\$00.00
<b>Interest Due</b>	
<b>Total Amount Due</b>	\$400.00

\* **Payment Amount** \$   Check here to pay total outstanding balance

\* **Payment Method**

**CANCEL** **NEXT**

---

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

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

**Complete the required information and select Submit.**

- **Save your banking information for future use.**
- **Warehouse payments for a future date.**

**Schedule Electronic Payment** [?](#) \* Indicates required field

Make an electronic payment directly from your bank account.

Additional Penalty and Interest may accrue if payment is not made as of 20-Jan-2023.

Taxpayer Name DEWY DECIMAL Payment Amount \$400.00

Use an existing Bank Account

Please select a Bank Account  test XXXXXS165

Add New Bank Account

\* Bank Routing Number

\* Bank Account Number

\* Confirm Bank Account Number

\* Bank Account Type  December 2022

\* Bank Account Holder Name

Nickname  If you would like to make this bank account your default for future payment, enter a "Nickname".

Enter Payment Effective Date

\* Effective Date 12/31/2022

I hereby authorize the withdrawal of funds as specified above for tax payments.

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

**Confirm payment by selecting Confirm.**  
**Payment Confirmation page offers details of submitted payments.**

**Confirm Payment** ?

Please confirm the below payment to submit for processing

Payment Amount \$400.00  
Payment Method

[← BACK](#) [CONFIRM](#)

---

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

**Payment Confirmation** ?

Please see information about your payment below.

The payment has been accepted. The confirmation number and payment details can be found below. The transaction date is the business day of the effective payment date. If you logged in as a registered user of [taxportal.ri.gov](http://taxportal.ri.gov), you may cancel a payment if it is before 4PM on the day when it is scheduled.

If you used the portal's Guest Payments feature, you cannot cancel payments without assistance. Please call 401-574-8484 if you need to cancel your payment.

[RETURN HOME](#)

**Transaction Information**

Confirmation #	00000	Transaction Date	Friday, 01/06/2023
Status	In Process	Transaction Time	04:00 PM

**Payment Information**

Taxpayer Name	DEWY DECIMAL	Effective Date	Friday, 01/06/2023
Document Type	PAYMENT VOUCHER	Period Covered	12/31/2022
Amount Paid	\$400.00	Account Type	
Payment Amount	\$400.00		
Fee Amount	\$0.00		

**ACH DEBIT Information**

Bank Nickname	test	Routing Number	XXXXXX0120
Bank Account Type		Account Number	XXXXXX5165

**Payment Details**

Account Type	Identifier	Filing Period	Payment Amount
	Account ID 0-0000-0000	12/1/2022-12/31/2022	\$400.00

Showing 1 to 1 of 1 entries

[H](#) [←](#) [1](#) [→](#) [H](#)

# 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.
- Thank you for all that you do!

## 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.

### Sales & Excise Tax

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



# Adult Use Cannabis Compared to Medical Cannabis

## Relevant Taxes/Returns for All Taxes

### 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)

# Cannabis Distribution

- Returns filed 20<sup>th</sup> of each month on portal
- Distributions once per quarter—First one in April 2023
  - December, January, February Returns-Distributed in April
  - Late return filings
  - Distribution based on delivery location
  - Same process as other distributions today



# Local Cannabis Excise Tax Overview

- Tracking sales/locations beginning in December --
  - Developed systems must provide necessary information:
    - Medical Cannabis vs Recreational Adult Use
    - Taxable vs Non-taxable Sales
    - Itemize tax rates on receipts
      - Sales Tax
      - State Excise Tax
      - **Local Excise Tax**
    - Tax rates should be accounted for separately in business's accounting system (i.e. separate GLs)
    - Accounting for sales by location (i.e. City/Town where product delivered)

# Local Cannabis Excise Tax

City and Town Jurisdictions tab is required (Schedule A)

Return Header			Calculation of Tax Amount Due			City and Town Jurisdictions		
CBJrsdctn								
Jurisdiction Location*			Amount*					
BARRINGTON			\$	0.00		🗑️		
BRISTOL			\$	0.00		🗑️		
BURRILLVILLE			\$	0.00		🗑️		
CENTRAL FALLS			\$	0.00		🗑️		
CHARLESTOWN			\$	0.00		🗑️		
COVENTRY			\$	0.00		🗑️		
CRANSTON			\$	0.00		🗑️		
CUMBERLAND			\$	0.00		🗑️		
EAST GREENWICH			\$	0.00		🗑️		
EAST PROVIDENCE			\$	0.00		🗑️		
EXETER			\$	0.00		🗑️		
FOSTER			\$	0.00		🗑️		
GLOCESTER			\$	0.00		🗑️		
HOPKINTON			\$	0.00		🗑️		

# Local Cannabis Excise Tax

The portion of the Local Cannabis Excise Tax is attributed to each jurisdiction.

The Local Cannabis Excise Tax should be attributed based on the jurisdiction where the sale occurred:

- For transactions taking place at the business location, the Local Cannabis Excise Tax should be listed under the jurisdiction where the business is located.
- For transactions delivered to other locations, the Local Cannabis Excise Tax should be listed under the jurisdiction(s) where the product was delivered.

**The total for all jurisdictions must equal the Local Cannabis Excise Tax amount.**

# Best Practices

- Annual W2 Submission Process
  - Secure FTP Email [tax.prodcontrol@tax.ri.gov](mailto:tax.prodcontrol@tax.ri.gov)
  - Due by 01/31/23
- Real Estate Conveyance Tax
  - Returns are important to overall distribution
- Portal Use
  - All taxes paid in one system
  - Can manage security based on uses
- Refund Offset Program
  - Provide refund file as often as is practical
  - The more frequently the data is provided, the more accurate it is

## Questions?



# 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





# Appendix A

## Real Estate Conveyance Tax – Before and After

- 2021 law: R.I. Gen. Laws § 44-25-1 *et seq.*
- Under the 2021 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.
- 2021 Formula:  $(\text{Total Sales Price} \div \$500) \times \$2.30 = \text{Tax Due}$
- Enacted in FY 22 Appropriation Bill (House Bill 6122Aaa, Article 14 Section 6, page 285):  
<http://webserver.rilegislature.gov/BillText21/HouseText21/H6122Aaa.pdf>.
- 1/1/2022: an additional tax of \$2.30 per \$500 for amounts over \$800,000 is due.
- 1/1/2022 formula:  $(\text{Total Sales Price} \div \$500) \times \$2.30$  plus  $(\text{Amount over } \$800\text{K} \div \$500) \times \$2.30 = \text{Tax Due}$

# Appendix A

## Real Estate Conveyance Tax – Before and After

### REAL ESTATE CONVEYANCE TAX CALCULATION

2021 Formula

$(\text{Total Sales Price} \div \$500) \times \$2.30 = \text{Tax Due}$

Jan. 1, 2022 Formula

$(\text{Total Sales Price} \div \$500) \times \$2.30$  **plus**  $(\text{Amount over } \$800\text{K} \div \$500) \times \$2.30 = \text{Tax Due}$

### REAL ESTATE CONVEYANCE TAX DISTRIBUTION

TAX	DISTRIBUTION
Of the \$2.30 per \$500 of Tax Due on the Total Sales Price	\$1.10 to municipality (retained) (47.83%)
	\$0.60 for State Use
	\$0.30 for Distressed Communities Relief Fund
	\$0.30 to Housing Resources Commission
Effective Jan. 1, 2022, of the \$2.30 per \$500 of Tax Due on the amount greater than \$800,000	\$2.30 Housing Production Fund

# Appendix A

## Real Estate Conveyance Tax – Before and After

### Law through Dec. 31, 2021

\$2,000,000 Sale  
(Consideration Paid)

$(\$2M \div \$500) \times \$2.30 = \$9,200$

City/Town Collects 100% and Retains 47.83% (\$4,400.36) and Remits Remaining Tax to the Rhode Island Division of Taxation

### After Jan. 1, 2022

**Collect an additional amount for transactions over \$800K**

ADD  
 $(\$1.2M \div \$500) \times \$2.30 = \$5,520$

City/Town Collects 100% and Remits All Additional Tax (\$5,520) to the Rhode Island Division of Taxation

TOTAL R.E. Conveyance Tax Due: \$14,720

Total Tax Remitted to the RI Division of Taxation by City/Town: \$10,319.64 (\$14,720 - \$4,400.36) (After 1/1/22)

# Appendix A

## Real Estate Conveyance Tax – Before and After

What is residential real property?

- Residential real property is determined based on classifications by each city or town.



# Appendix A

## Real Estate Conveyance Tax - Acquired Real Estate Company

- 2022 tax calculation also applies to Acquired Real Estate Company conveyance transactions.
- What is an Acquired Real Estate Company?
  - [Acquired Real Estate Company Advisory](#)
  - R.I. Gen. Law § 44-25-1 amended was effective July 1, 2015.
  - Involves change in ownership of a company that is primarily engaged in holding, selling, or leasing real estate.
  - Must be a “real estate company” and an “acquired real estate company” as defined in R.I. Gen. Law § 44-25-1 (e) and (f) in order to be subject to the tax.

# Appendix A

## Real Estate Conveyance Tax - Acquired Real Estate Company

An Acquired Real Estate Company is a Real Estate Company that has undergone a change in ownership interest if **both** of the following terms are met:

1. The change in ownership does not affect the continuity of the operations of the company

**AND**

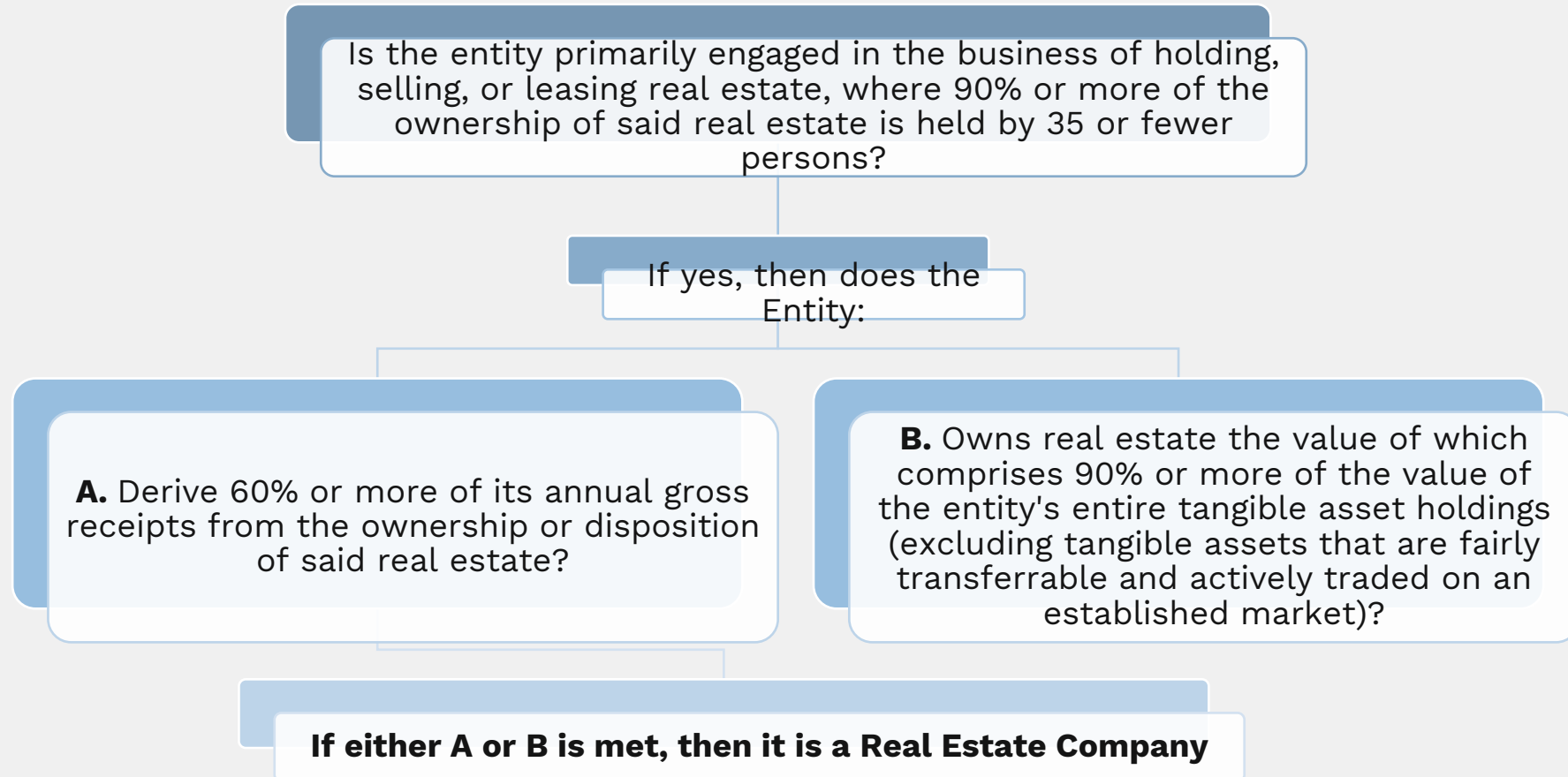
2. The change, whether alone or together with prior changes has the effect of granting, transferring, assigning, conveying or vesting directly or indirectly 50% or more of the total ownership in the company within a period of 3 years.

# Appendix A

## Real Estate Conveyance Tax - Acquired Real Estate Company

Two Ways in Which an Entity Can be a Real Estate Company:

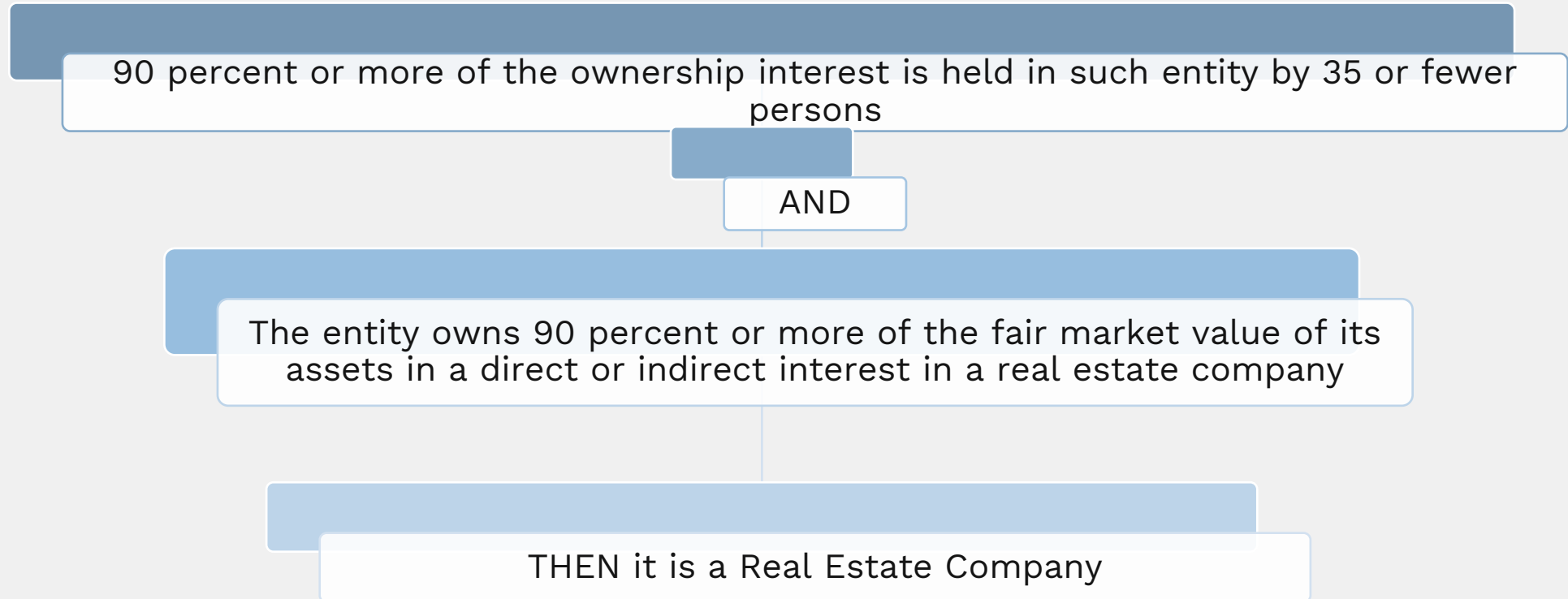
Method A:



# Appendix A

## Real Estate Conveyance Tax - Acquired Real Estate Company

Method B:





# Appendix A

## Real Estate Conveyance Tax - Acquired Real Estate Company

- R.I. Gen. Law § 44-25-1(g)

In the case of a grant, assignment, transfer or conveyance or vesting that results in a real estate company becoming an acquired real estate company, the grantor, assignor, transferor, or person making the conveyance or causing the vesting, shall file or cause to be filed with the division of taxation, at least five (5) days prior to the grant, transfer, assignment, or conveyance or vesting, notification of the proposed grant, transfer, assignment, or conveyance or vesting, the price, terms and conditions thereof, and the character and location of all of the real estate assets held by the real estate company and shall remit the tax imposed and owed pursuant to subsection (a).

# Appendix A

## Real Estate Conveyance Tax - Acquired Real Estate Company

- R.I. Gen. Law § 44-25-1(g) (continued)

Any such grant, transfer, assignment, or conveyance or vesting which results in a real estate company becoming an acquired real estate company shall be fraudulent and void as against the state unless the entity notifies the tax administrator in writing of the grant, transfer, assignment, or conveyance or vesting as herein required in subsection (g) and has paid the tax as required in subsection (a).

# Appendix A

## Real Estate Conveyance Tax – Example

<u>Examples</u>	<u>Property Selling price</u>	<u>Tax Rate Tier 1 @ \$2.30 insert in line 3</u>	<u>Amount over \$800K</u>	<u>Tax Rate Tier 2 @ \$2.30 insert in line 6</u>	<u>Total Tax due insert in line 7</u>
1	\$ 1,000,000.00	\$ 4,600.00	\$ 200,000.00	\$ 920.00	\$ 5,520.00
2	\$ 800,000.00	\$ 3,680.00	\$ -	\$ -	\$ 3,680.00
3	\$ 5,000,000.00	\$ 23,000.00	\$ 4,200,000.00	\$ 19,320.00	\$ 42,320.00
4	\$ 195,000.00	\$ 897.00	\$ -	\$ -	\$ 897.00
5	\$ 300,000.00	\$ 1,380.00	\$ -	\$ -	\$ 1,380.00
6	\$ 105,240,000.00	\$ 484,104.00	\$ 104,440,000.00	\$ 480,424.00	\$ 964,528.00

# Appendix A

## Real Estate Conveyance Tax - Acquired Real Estate Company - Form

State of Rhode Island Division of Taxation

### Form CVYT-2

Acquired Real Estate Company Conveyance Tax Return



22124199990101

Acquired real estate company			Federal employer identification number	
[Redacted]			[Redacted]	
Address			Date of acquisition	
[Redacted]			MM/DD/YYYY	
Address 2				
[Redacted]				
City, town or post office		State	ZIP code	E-mail address
[Redacted]		[Redacted]	[Redacted]	[Redacted]

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

# Appendix A

## Real Estate Conveyance Tax - Acquired Real Estate Company - Form

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

### Schedule A - Determination of a Real Estate Company

- |   | YES                      | NO                       |
|---|--------------------------|--------------------------|
| 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 | <input type="checkbox"/> | <input type="checkbox"/> |
| 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.   | <input type="checkbox"/> | <input type="checkbox"/> |

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

- |   | YES                      | NO                       |
|---|--------------------------|--------------------------|
| 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?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input type="checkbox"/> |

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.

# Appendix A

## Real Estate Conveyance Tax – Best Practices

- Should confirm the proper amount of tax is remitted to the municipality.
- Must send a 5-day notice to the Division prior to closing on an acquired real estate company transaction.
- Should attached the purchase and sales agreement to all returns – supporting documentation will be requested if not provided.
- Send returns along with all supporting documentation to the attention of the Excise Tax Section.
- Once the clearance is issued for an acquired real estate company conveyance, the clearance must be recorded with the city or town where the property is located.
- Please feel free to contact us with any questions, please note that it is the Division’s policy not to answer hypothetical scenarios.
- Excise Tax Section contact information: [Tax.Excise@tax.ri.gov](mailto:Tax.Excise@tax.ri.gov)  
401-574-8955



# Appendix A

## Real Estate Conveyance Tax - Exemption

R.I. Gen. Laws § 44-25-2(f) – affordable housing development:

- The change creates an exemption from the real estate conveyance tax where the transfer takes place among owners, members, or partners in a real estate company with respect to an affordable housing development where certain conditions are met.
- The exemption is narrow and only applies to transfers, conveyances, etc. “among owners, members, or partners” in a real estate company (and subject to the other conditions in the statute).

# Appendix A

## Real Estate Conveyance Tax - Take-aways & FAQs

- The tax is imposed on the total consideration for the conveyance.
- Purchase price includes the value of any lien or encumbrance remaining at the time of sale, including mortgage liens.
- The person making the conveyance or vesting is responsible to pay the tax unless there is an agreement that the grantee pay the tax.
- Increased tax rate applies only to residential real property.
- Documentation is essential in establishing and supporting the proper tax imposed on acquired real estate company transactions.



# Appendix A

## Real Estate Conveyance Tax - Take-aways & FAQs

### Real Estate Conveyance Frequently Asked Questions

- + Who must collect, file, and pay the Real Estate Conveyance Tax?
- + What is the Real Estate Conveyance Tax Rate?
- + How do I file and pay the Real Estate Conveyance Tax?
- + Are there exemptions to the Real Estate Conveyance Tax?

# Appendix A

## Section Contact Information

### Sales & Excise Tax

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