



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

RI Hispanic Chamber of Commerce

February 28, 2023

Agenda

- About Us: Division of Taxation
- Services Provided
 - Taxpayer Experience Office
 - Website Features
- Portal Services
- Tips and Best Practices
- Closing remarks

About Us

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

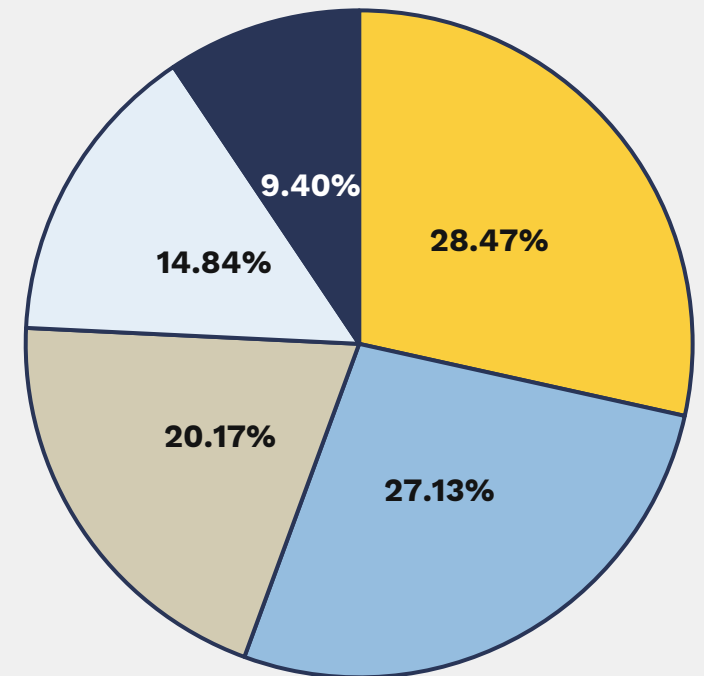
- The Rhode Island Division of Taxation employs **223 tax professionals**, administering more than **59 different taxes and fees**.
- Taxes represent **the most significant source of General Fund revenue** for Rhode Island – funds used to help pay for vital services including public safety, education,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

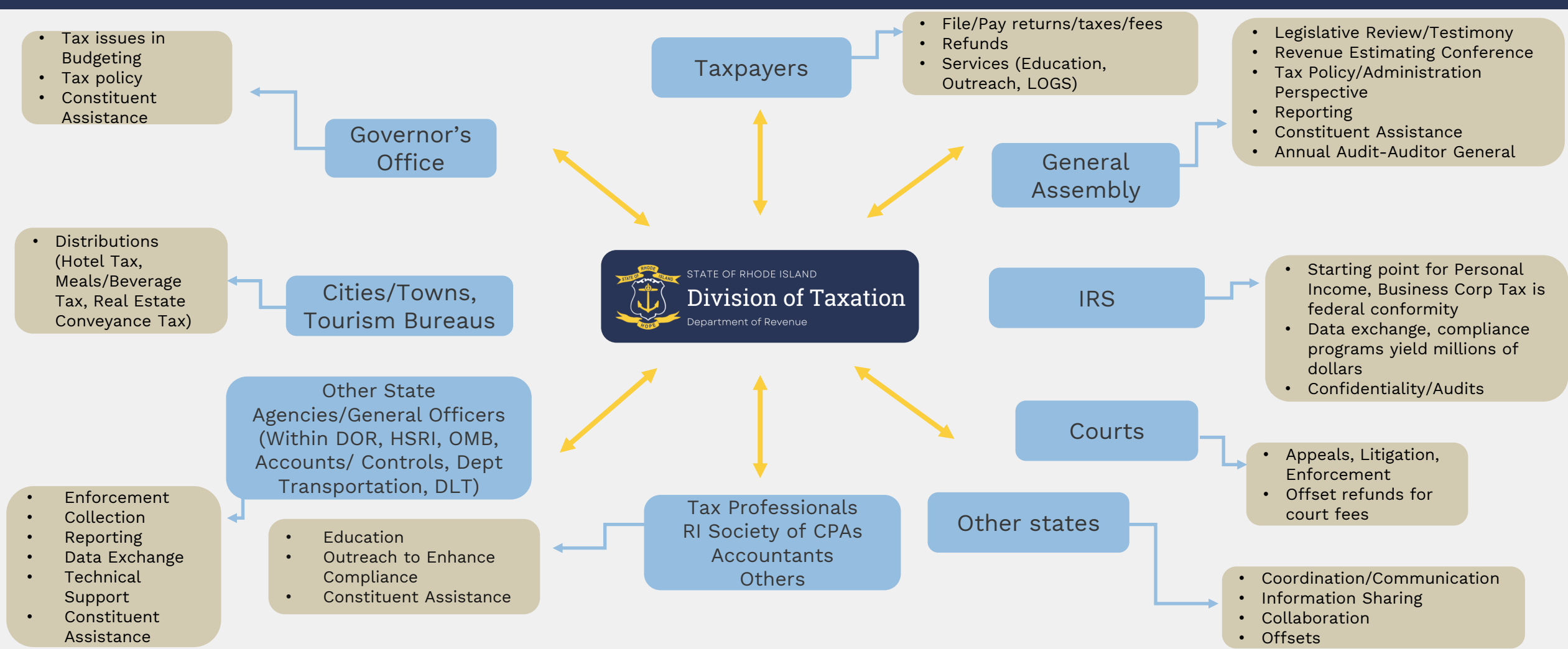
Total State Tax Revenue Collected by the Division of Taxation for Fiscal Year 2022 (\$, In Millions)

FY22 Receipts: \$5B



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

About Us: Key Stakeholders/Interactions



About Us: Division of Taxation: Mission

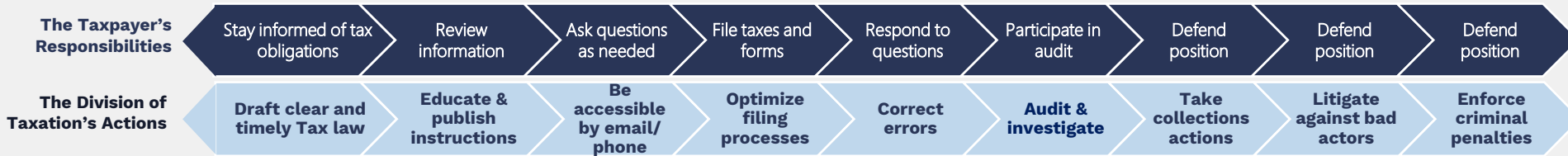
The Tax Administration Efficiency Continuum

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

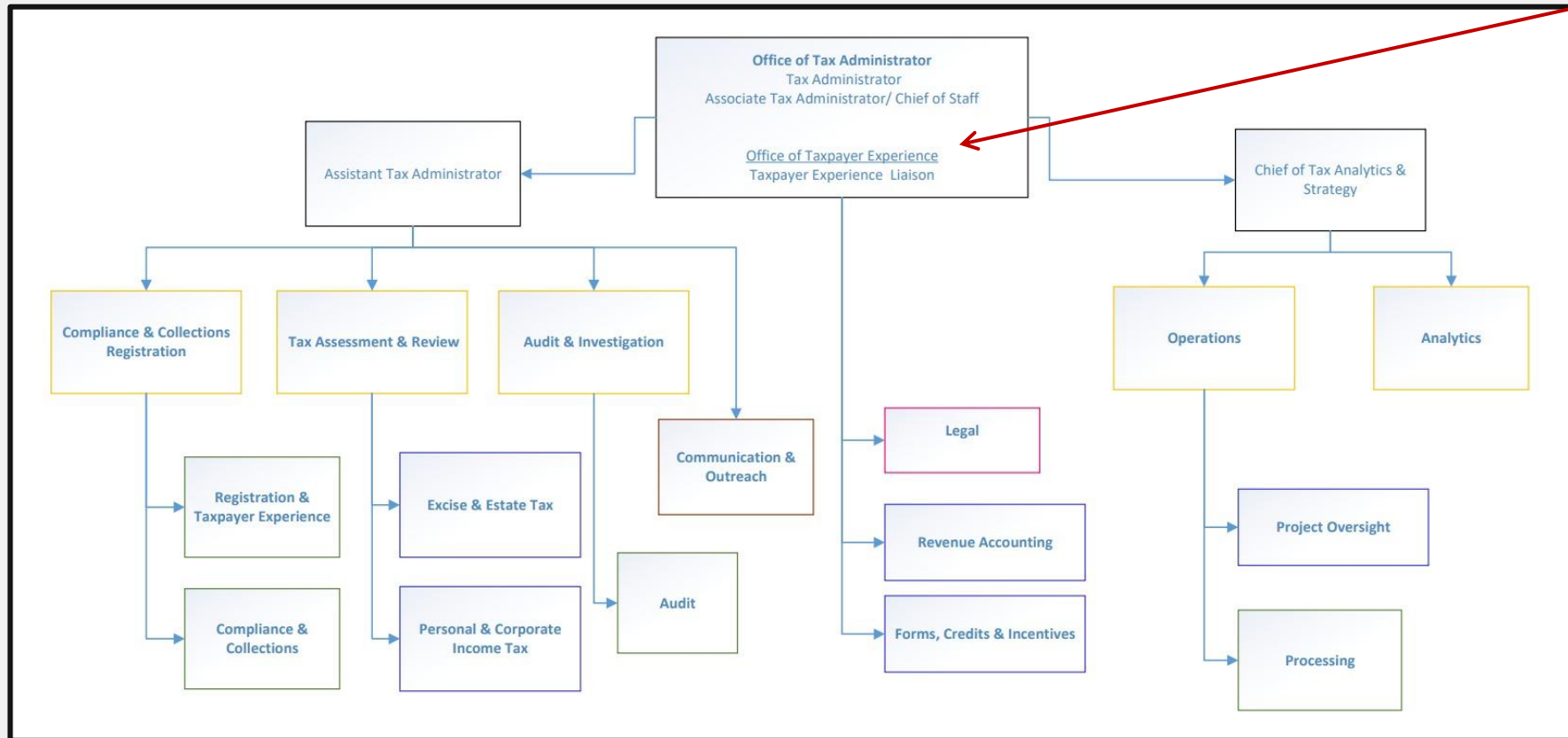
▲
Improving staff training, data analysis, improving forms and data retrieval

▲
Expanding the remote audit program, implementing best practices

Developing industry guidelines

Taxpayer Experience Office/Team

About Us: 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

Taxpayer Experience Office

Taxpayer Experience Initiatives

- Portal Training Sessions
- Portal Usability Study
 - Two Factor Authentication
 - Extended Password Reset Timing
 - Removal of Buttons
 - Placement of Compliance Check Feature
- Virtual Appointments

The screenshot shows the homepage of the State of Rhode Island Division of Taxation. The header includes the state seal 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", a "SIGN IN" button, and links for "Forgot User ID?" and "Forgot password?".
- Customer Support:** A text block 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, it says "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." A note below that reads "Now Live: Multi-Factor Authentication. This will provide a higher level of account security, and a second layer of verification to the login process."
- 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".
- 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)".
- 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?". A "More >" link is at the bottom right.

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

Taxpayer Experience Office

Goals of the Taxpayer Experience Office:

Improve taxpayers' experience

Transparency

Improve Voluntary Compliance

- Education through community outreach
- Education through new resources

Incorporate Community Feedback

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](#)

Website Components and Features

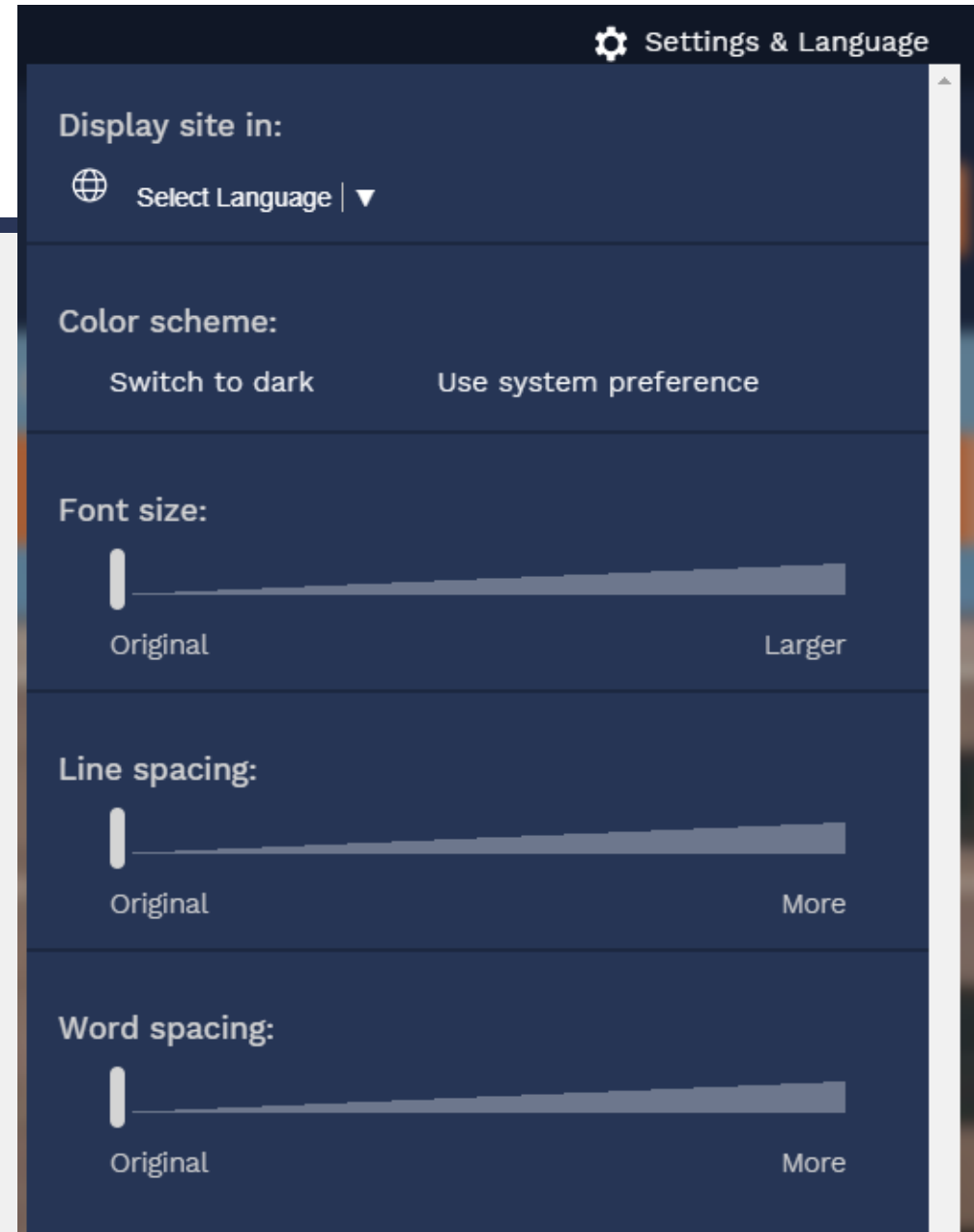
<https://tax.ri.gov/>

- Provides resources broken out by sections
- Forms are broken out in similar way

The screenshot displays the official website of the Rhode Island Division of Taxation. At the top, it identifies itself as the 'Official State of Rhode Island website' and includes a 'Settings & Language' link. The main header features the state seal, the text 'STATE OF RHODE ISLAND Division of Taxation Department of Revenue', social media icons, and a search bar. A primary navigation bar contains links for 'Online Services', 'Resources for...', 'Tax Sections', 'Forms', 'Guidance', and 'About Us'. The 'Tax Sections' menu is expanded, listing: Overview, Audit, Compliance & Collections, Corporate Tax, Credits, Employer Tax, Estate Tax, Personal Income Tax, Sales & Excise Taxes, and Withholding Tax. An orange banner for 'Agency Announcements' and a 'Show Alerts' button are also visible. The background features a 'Welcome' message and a photograph of a building.

Website Components and Features

- Ability to Customize the language and translate pages
- Change Font size



Website Components and Features

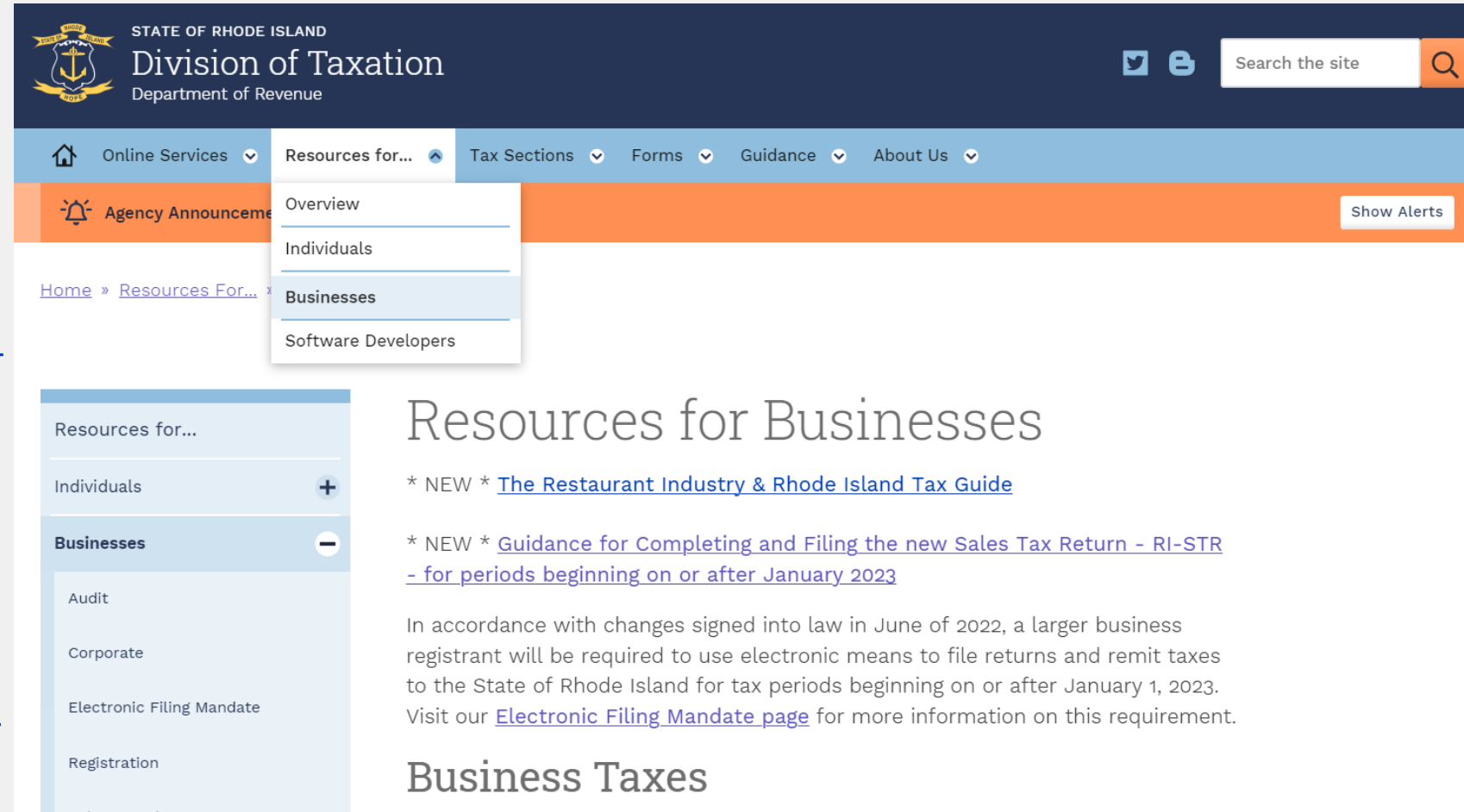
- Links to Advisories, FAQs and Newsletters
- Alerts and Messages
- Search functionality

The screenshot displays the official website of the State of Rhode Island's Division of Taxation. At the top, it identifies itself as the 'Official State of Rhode Island website' and includes a 'Settings & Language' option. The main header features the state seal and the text 'STATE OF RHODE ISLAND Division of Taxation Department of Revenue'. A navigation bar contains links for 'Online Services', 'Resources for...', 'Tax Sections', 'Forms', 'Guidance', and 'About Us'. The 'Guidance' menu is expanded, listing various resources such as 'Overview', 'Administrative Decisions', 'Advisories', 'Declaratory Rulings', 'Information and FAQs', 'Newsletters', 'Notices', 'Publications', 'Regulations', 'Reports', 'COVID-19', 'Health Insurance Mandate', 'PPP Loan Forgiveness', and 'Special Programs'. Below the navigation, an 'Agency Announcements' section highlights 'Electronic Filing Mandate and New Sales Tax Form' with detailed text about electronic filing requirements and the new Form RI-STR. A search bar is located in the top right corner, and a 'Welcome' banner is visible at the bottom of the page.

Website Components and Features

Resources for Businesses

- [Sales & Excise | RI Division of Taxation](#)
- [Corporate | RI Division of Taxation](#)
- [Contact Us | RI Division of Taxation](#)
- [Credits | RI Division of Taxation](#)



The screenshot shows the website header for the State of Rhode Island Division of Taxation, Department of Revenue. The navigation bar includes links for Online Services, Resources for..., Tax Sections, Forms, Guidance, and About Us. The 'Resources for...' dropdown menu is open, showing options for Overview, Individuals, **Businesses**, and Software Developers. Below the navigation, there is a 'Show Alerts' button. The main content area features a section titled 'Resources for Businesses' with two new items: 'The Restaurant Industry & Rhode Island Tax Guide' and 'Guidance for Completing and Filing the new Sales Tax Return - RI-STR - for periods beginning on or after January 2023'. A paragraph explains that starting January 1, 2023, business registrants must file returns electronically. A link to the 'Electronic Filing Mandate page' is provided. The section is titled 'Business Taxes'.

Website Components and Features

Personal Income Taxes

- [Individuals | RI Division of Taxation](#)
- [Personal Income Tax | RI Division of Taxation](#)
- [Personal Income Tax Forms | RI Division of Taxation](#)
- Returns for residents and non-residents are due by 04/15 each year
- 2022 Filing Threshold Single \$13,650
 - [Individual Tax Filing Requirements | RI Division of Taxation](#)
- RI tax returns begin with Federal Adjusted Gross Income

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 – over 52,000 registered users have submitted over 329,000 payments for over \$1.74B throughout 2022
- Other electronic methods available

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

Step 1: Visit www.taxportal.ri.gov and create a User ID and password.

Virtual Training Sessions available

Contact info to request a pin or any other questions:

- taxportal@tax.ri.gov
- 401-574-8484

The screenshot shows the homepage of the Rhode Island Taxpayer Portal. At the top left is the logo for the State of Rhode Island, Division of Taxation, Department of Revenue. Below the logo is a navigation bar with the word "Home". The main content area is divided into several sections:

- Member Sign In:** A form with fields for "User ID" (with placeholder text "Please Enter User ID") and "Password", a "SIGN IN" button, and links for "Forgot User ID?" and "Forgot password?".
- New User?:** A section with a link "Create a New User", which is circled in red in the original image.
- 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)", "File a Form (alone or with payment)", and "The File a Form link is located on the bottom left of this page."
- 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."
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- 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?".

In the center of the page is a large image of the Rhode Island State Capitol building.


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.

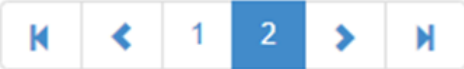
How do I file/pay? The Division of Taxation Taxpayer Portal

The Account Administrator has access to all accounts

Tax Accounts 

Account Type 	ID 	Address 	Last Activity Date 	Current Balance 	Last Period Filed 
SALES/ RECONCILIATION	[REDACTED]	[REDACTED]	11/17/2022	\$10.21	12/31/2021
WITHHOLDING/ FILING	[REDACTED]	[REDACTED]	11/21/2022	(\$153,954.83)	09/30/2022
WITHHOLDING/ RECONCILIATION	[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	08/30/2014
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	02/28/2022	\$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

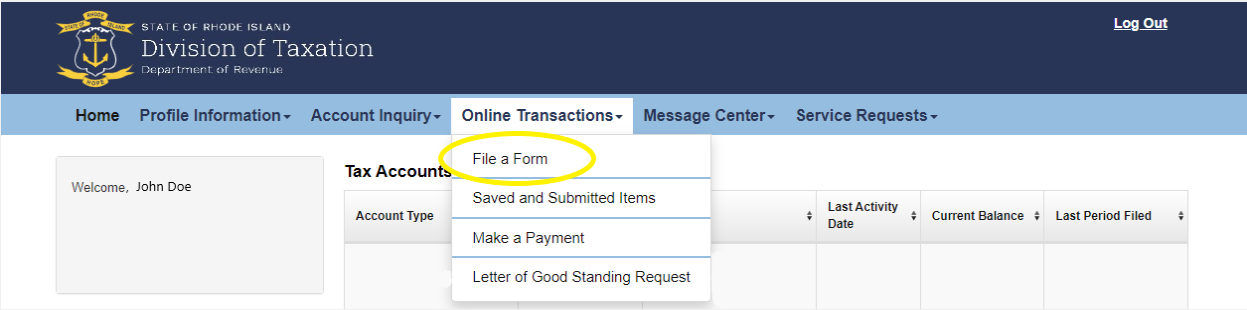
How do I file/pay? The Division of Taxation Taxpayer Portal

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.

The screenshot shows the 'Summary Information' page in the Taxpayer Portal. At the top, there is a navigation bar with links: Home, Profile Information, Account Inquiry, Online Transactions, Message Center, and Service Requests. Below this, the breadcrumb trail reads 'Online Transactions / File a Tax Return'. The main heading is 'Summary Information' with a question mark icon. A light gray box contains a message: '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.' Below the message is a table with the following data:

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

At the bottom of the page, there are two buttons: a 'BACK' button on the left and a 'NEXT' button on the right. The 'NEXT' button is highlighted with a yellow circle.

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.

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

Online Transactions / File a Tax Return

Enter Tax Return - Signature

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.

NO **YES**

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

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

Total Tax	\$400.00
Forecasted Penalty	\$00.00
Amount Due	
Forecasted Underpayment	\$00.00
Interest Due	
Total Amount Due	\$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

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, 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 XXXXX0120
Bank Account Type	Account Number XXXXX5165

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

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

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

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

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 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](#)

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.
- Send email request to tax.portal@tax.ri.gov to request to be added to the list for a session

Tips and Best Practices

What records should a taxpayer maintain?

- 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 needed

Tips and Best Practices

What are Trust Fund Taxes?

- Trust Fund Taxes are taxes that are collected by one taxpayer from another taxpayer and are held in trust for the state.
- The statutes that enforce these taxes require the collecting taxpayer to remit those taxes to the state at a definite date.
 - [R.I. Gen Laws § 44-19-35](#)
 - [R.I. Gen Laws § 44-30-76](#)

Tips and Best Practices

Examples of Trust Fund Taxes:

- Sales Tax
 - State Sales Tax is collected by a retailer from their customers. All sales taxes collected must be remitted to the state by the 20th of the following month. The retailer's tax obligation or liability relates directly to its collection of taxes from another taxpayer - in this case their customer.
- Withholding Taxes
 - Withholding Taxes are withheld by an employer from their employee's wages. The tax withheld or collected is held in trust for the state and not for the employer's use.

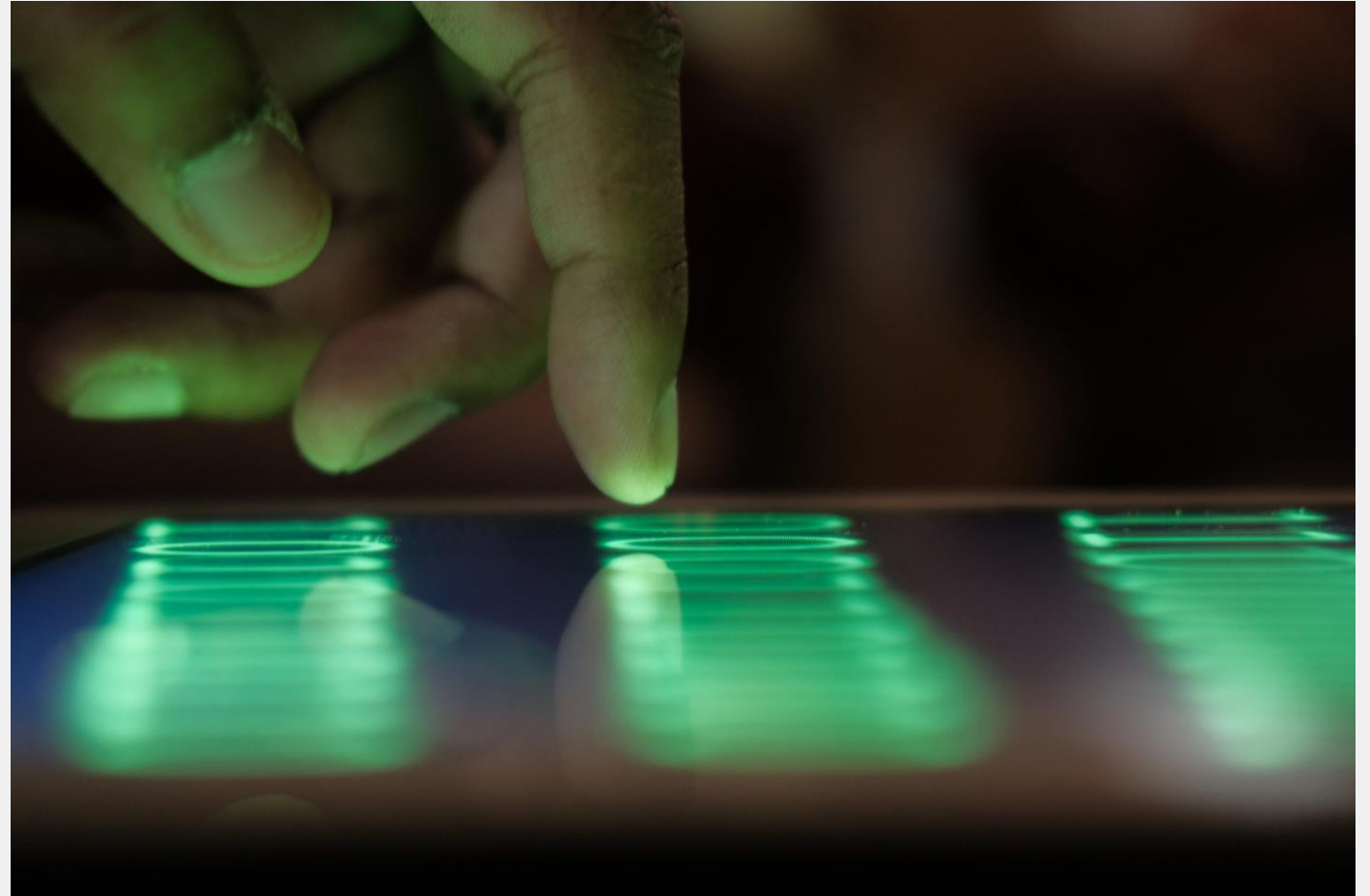
Tips and Best Practices

How does Trust Funds impact a business?

- When Trust Fund Taxes are collected, the law indicates that these funds **must** be remitted by the prescribed due date **without exception**.
- There are penalties for misappropriation of trust funds including holding a responsible officer personally liable for the misappropriation.
- It is important for a business owner and their representatives to understand the importance of trust fund remittance.
- Additional details can be found in an article from our latest [quarterly newsletter](#).

Fraud Trends

- IRS/States/Tax Software Industry collaborating on fraud detection and prevention and monitoring data/trends through the IDTTRF-ISAC and the Security Summit.
- [How Do You Report Suspected Tax Fraud Activity? | Internal Revenue Service \(irs.gov\)](#)
- [Dirty Dozen | Internal Revenue Service \(irs.gov\)](#)
- Criminals are becoming more creative, with better technology, and means to perpetrate fraud.

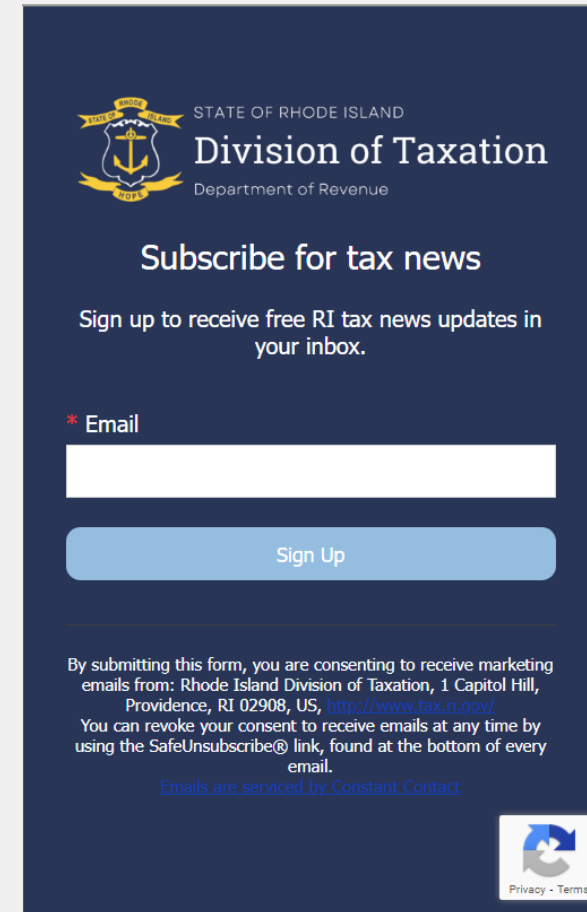


How to Mitigate Fraud

- Consistently update software and operating systems with latest patches—outdated applications and operating systems are the most targeted vulnerabilities for ransomware.
- Train your staff about phishing, cyber security and to look carefully at emails before responding. Check and double check.
- Multifactor Authentication/Strong Passwords.
- Back up data on a regular basis; maintain it on a separate device and store it offline.
- Implement a disaster recovery plan.
- Check the Taxpayer Portal: [RI Taxpayer Portal](#).
- [How Do You Report Suspected Tax Fraud Activity? | Internal Revenue Service \(irs.gov\)](#) .
- Reach out to the RI Division of Taxation: [Contact Us | RI Division of Taxation](#)

More Tax Resources

- Sign up for our emails
 - Tax news delivered to your inbox
 - Quarterly newsletters
 - Important updates



The screenshot shows a dark blue sign-up form for the Rhode Island Division of Taxation. At the top left is the state seal, followed by the text "STATE OF RHODE ISLAND" and "Division of Taxation" in a large font, with "Department of Revenue" in a smaller font below it. The main heading is "Subscribe for tax news". Below this is the text "Sign up to receive free RI tax news updates in your inbox." There is a white input field for an email address, preceded by an asterisk and the word "Email". Below the input field is a blue "Sign Up" button. At the bottom, there is a paragraph of text: "By submitting this form, you are consenting to receive marketing emails from: Rhode Island Division of Taxation, 1 Capitol Hill, Providence, RI 02908, US, <http://www.tax.ri.gov/>. You can revoke your consent to receive emails at any time by using the SafeUnsubscribe@ link, found at the bottom of every email." Below this text is a link: "Emails are serviced by Constant Contact". In the bottom right corner, there is a small icon of a recycling symbol and the text "Privacy - Terms".

Questions?



Thank you



STATE OF RHODE ISLAND

Division of Taxation

Department of Revenue

Contact Us

401-574-8941

Tax.experience@tax.ri.gov

One Capitol Hill

Providence, RI 02908



Appendix A – Compliant Taxpayer

Generic Retailer with retail sales out of a RI location of \$250,000 per year of mostly taxable goods. Taxpayer is an LLC taxed as a partnership for federal tax purposes with two partners. They have 5 employees with average total taxes withheld of \$700 per month. Compliance:

- Registered for taxpayer portal
- RI-STR filed by 20th of each month
- Withholding payments made each Monday
- RI-941 filed quarterly before 4/30, 7/31, 10/31 and 12/31.
- Annual Sales Permit renewal filed by 2/1
- RI-W3 filed by 1/31
- W2s filed by secure FTP using tax.prodcontrol@tax.ri.gov by 1/31
- T-204R Sales Tax Annual Reconciliation filed by 1/31
- RI-1065 filed by 3/15 with \$400 annual charge and RI K1s to partners
- Partners file RI-1040ES making estimated payments on 4/15/, 6/15, 9/15 and 1/15
- Partners file RI-1040 by 4/15

Appendix A – Compliant Taxpayer

Restaurant with annual gross receipts of \$750,000 located in Cumberland which delivers into Central Falls and Lincoln. Taxpayer is an S-corporation and 10 employees.

- Registered for taxpayer portal
- RI-STR filed by 20th of each month
- MTM filed by 20th of each month
 - Must complete Schedule A of return with sales distributed between Cumberland, Central Falls and Lincoln
- Litter permit fee of \$100 based on Gross Receipts by 8/31
- Withholding payments made each Monday
- RI-941 filed quarterly before 4/30, 7/31, 10/31 and 12/31.
- Annual Sales Permit renewal filed by 2/1
- RI-W3 filed by 1/31
- W2s filed by secure FTP using tax.prodcontrol@tax.ri.gov by 1/31
- T-204R Sales Tax Annual Reconciliation filed by 1/31
- RI-1120S filed by 3/15 with \$400 minimum tax and RI K1s to partners
- Shareholders file RI-1040ES making estimated payments on 4/15/, 6/15, 9/15 and 1/15
- Shareholders file RI-1040 by 4/15

Appendix B – Additional State Resources

- [Business Services - Rhode Island - Gregg M. Amore \(ri.gov\)](#)

Start, maintain, or close your business or non-profit



For RI Businesses →

- Plan for Success
- Start a New Business
- Maintain Your Existing Business
- Close Your Business



For Foreign Businesses →

- Plan for Success
- Register Your Business in Rhode Island
- Maintain Your Business
- Withdraw Your Business



For Non-Profits →

- Plan for Success
- Start a New Non-Profit
- Maintain Your Existing Non-Profit
- Close Your Non-Profit

Training Calendar

Business Services offers free workshops, summits, and other educational opportunities on a range of topics for small businesses and non-profit organizations.

[Click here to view the event calendar and sign up today!](#)

- [RI Tax Credits & Financing | Rhode Island Commerce \(commerceri.com\)](#)