



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

Seminar for Tax Preparers

November 30, 2023

# Bethany Whitmarsh

## Assistant Tax Administrator

# Agenda

- About Us: Division of Taxation
- Personal Income Tax Update
- Taxpayer Experience Update
- Compliance and Collections Update
- Excise and Estate Tax Update
- Website Walk-through
- Closing remarks

# About Us

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

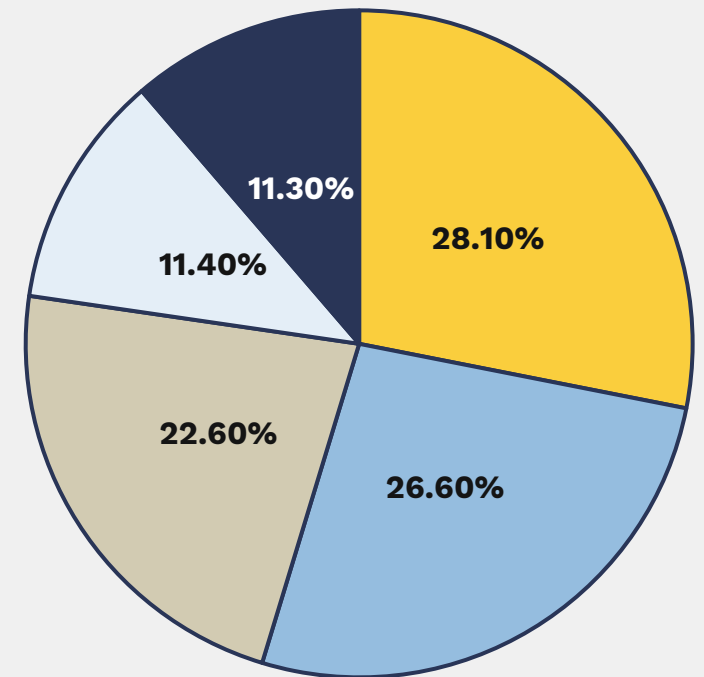
- The Rhode Island Division of Taxation employs **223 tax professionals**, administering more than **59 different taxes and fees**.
- Taxes represent **the most significant source of General Fund revenue** for Rhode Island – funds used to help pay for vital services including public safety, education, transportation, and recreation for all Rhode Islanders.
- Each year, the Division **collects and distributes more than \$5.2 billion** in funds to the State, municipalities, and other agencies (as of FY 23).

## 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.

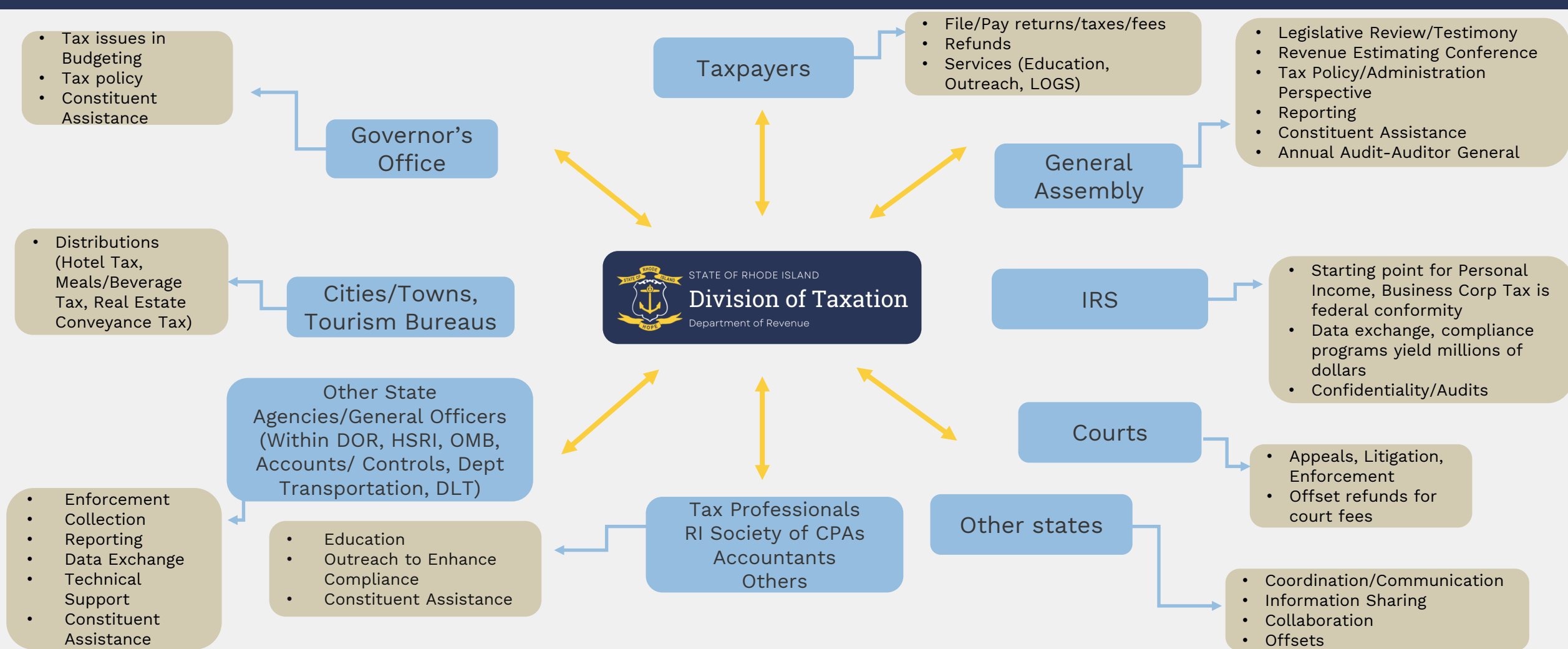
## Total State Tax Revenue Collected by the Division of Taxation for Fiscal Year 2023 (\$, In Millions)

FY23 Receipts: \$5.2B

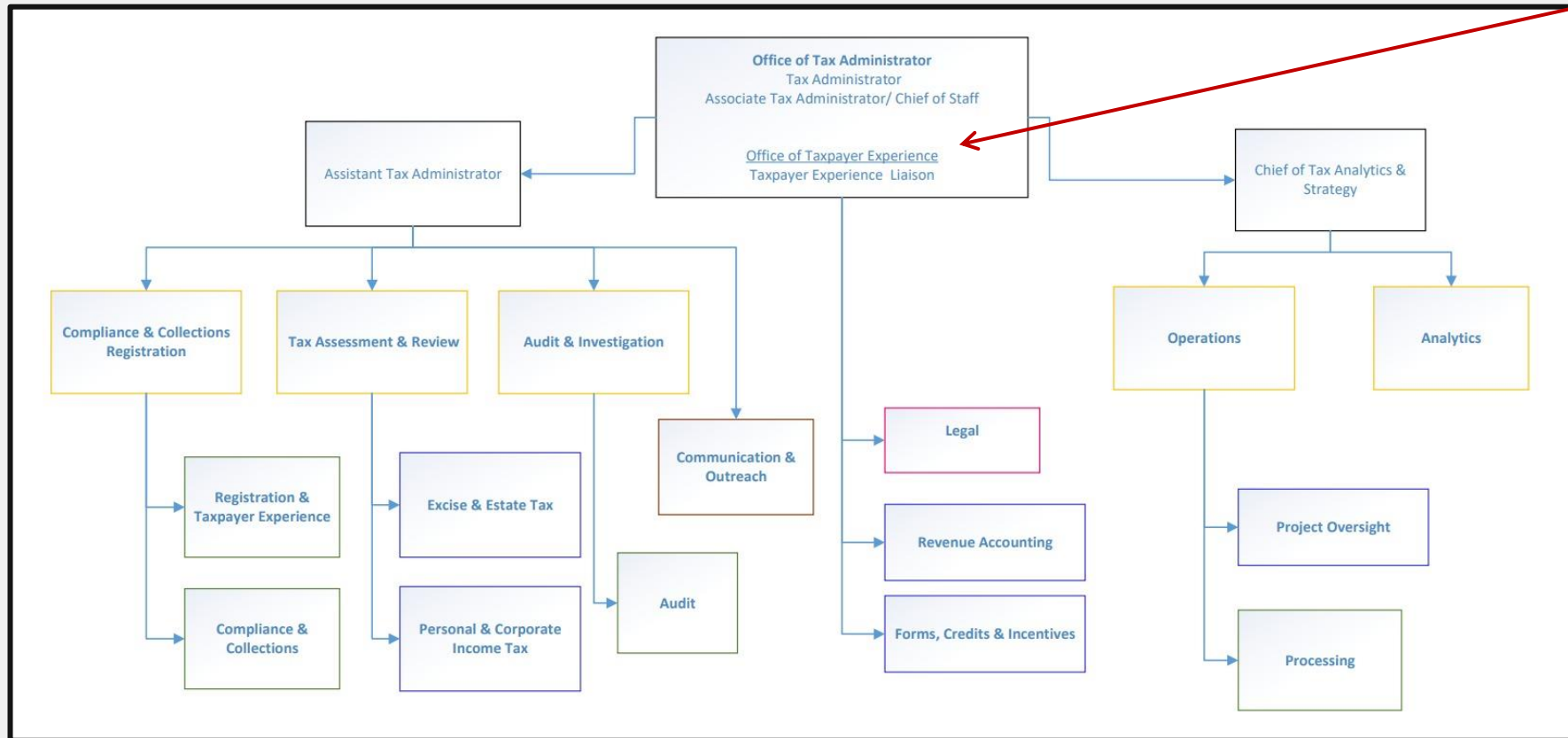


■ Withholding ■ Sales ■ Corp ■ PIT ■ Estate, M&B, Hotel & Other

# 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

**The Taxpayer's Responsibilities**



**The Division of Taxation's Actions**



▲  
**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**

How are we improving taxpayer services, voluntary compliance?

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



# Personal and Corporate Income Tax Section



As of 10/06/23

# Personal and Corporate Income Tax Section

- Personal Exemptions \$4,700
- Standard Deduction
  - Single \$10,000
  - Joint/Qualifying Widow(er) \$20,050
  - HOH \$15,050
  - Married filing Separately \$10,025

- Exemption and Deduction Phaseout Amounts
  - \$233,750 – \$260,550

**2023 Tax Year**  
Inflationary changes

- Social Security Amounts
  - Single \$101,000    Joint \$126,250
- Pension and Annuity
  - Single \$101,000    Joint \$126,250

- Property Tax Relief Credit \$650
  - Income Limitation \$37,870

# Personal and Corporate Income Tax Section

## TY2023 Updated Filing Options

### Pass-Through Withholding

**Tax Year 2023:**  
Use BUS-EST  
instead of RI-  
1096PT-ES

04/15/23

**Tax Year 2023:**  
Use BUS-EXT  
instead of RI-  
4868PT or filing of  
Entity Return with  
PTW Schedule

03/15/24

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

09/15/24

**Tax Year 2024:**  
Use of BUS-  
EST with line  
for PTW/PTE

04/15/24

**Tax Year 2024:**  
Use of BUS-  
EXT 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 Tax

# Personal and Corporate Income Tax Section

## TY 2022 Current Filing Options

### MeF

- RI-1040
- RI-1120C, RI-1120S, RI-1065
- RI-1041
- Return/Voucher Payments

### Portal

- RI-1096PT
- RI-PTE
- Return/Voucher Payments
- RI-4868PT Extension
- PTE Extensions

### Estimates

- RI-1040ES
- BUS-EST
- RI-1096PT-ES
- RI-1041ES

# Personal and Corporate Income Tax Section

## TY2023 Updated Filing Options

### MeF

- RI-1040
- RI-1120C, RI-1120S, RI-1065 (with PTW Schedule)
- RI-1041 (with PTW Schedule)
- Return/Voucher Payments
- Extensions

### Portal

- RI-PTE
- Return/Voucher Payments
- PTE Extensions

### Estimates

- RI-1040ES
- BUS-EST
- RI-1041ES

# Personal and Corporate Income Tax Section

## 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. 2018-2023=15.0% **2024=16.0%**
- 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.
- Other points to consider:
  - Returns without expenses
  - Documentation for income reporting (e.g. **requests** for licenses, records, statements, etc.).

# Personal and Corporate Income Tax Section

## Property Tax Relief Reminders

Maximum Credit for 2023 = \$650.00

Household income (taxable and nontaxable) = \$37,870 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 Section

## Property Tax Relief Reminders

- What is household income?

14	Wages, salaries, tips, etc. from Federal Form 1040 or 1040-SR, line 1z.....
15	Interest and dividends (taxable and nontaxable) from Federal Form 1040 or 1040-SR, lines 2a, 2b and 3b.....
16	Taxable refunds, credits or offsets of state and local income taxes from Federal Form 1040 or 1040-SR, Sch 1, line 1.....
17	Alimony received from Federal Form 1040 or 1040-SR, Schedule 1, line 2a.....
18	Business income (or loss) from Federal Form 1040 or 1040-SR, Schedule 1, line 3.....
19	Sale or exchange of property from Federal Form 1040 or 1040-SR line 7 or Federal Form 1040 or 1040-SR Schedule 1, line 4.....
20	IRA distributions, and pensions and annuities from Federal Form 1040 or 1040-SR, line 4a and 5a.....
21	Rental real estate, royalties, S corps, trusts, etc. from Federal Form 1040 or 1040-SR, Sch 1, line 5.....
22	Farm income or loss from Federal Form 1040 or 1040-SR, Schedule 1, line 6.....
23	Unemployment compensation from Federal Form 1040 or 1040-SR, Schedule 1, line 7.....
24	Social security benefits (including Medicare premiums) taxable and nontaxable, and Railroad Retirement Benefits from Federal Form 1040 or 1040-SR, line 6a.....
25	Other income from Federal Form 1040 or 1040-SR, Schedule 1, line 9.....



# Personal and Corporate Income Tax Section

## Pension Changes – Tax Year 2023

### Military pensions modification

- Cannot use same income for pension and annuity modification
- No cap or limitation
- No age restriction

### Pension and annuity modification

- Increase credit cap from \$15,000 to \$20,000
- Inflation increase to current AGI limit
  - For 2023:
    - Single - \$101,000
    - Joint - \$126,250

# Personal and Corporate Income Tax Section

## Pension/Annuity and Social Security Modifications

- Modification is based on full retirement age of 66 years and 6 months (born on or before 07/01/1957)
- All filing statuses (single, separate, head of household, married joint or widow(er))
- Federal adjusted gross income thresholds (less than \$101,000 and \$126,250)
- **Once AGI limitations are passed, no modification**
- Does not include IRAs
- **\$20,000 limitation applies per individual for pension/annuity. Unlimited for SSI.**
- [Pension and Annuity Guidance document](#)

# Personal and Corporate Income Tax Section

## 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 Section

## Single Member LLC vs Sole Proprietor

### Single Member LLC

- Entity separate from its owner
- Registered as an entity with RI Department of State
- Has liability protection—limited to investment
- Registration date—dissolution date
- Subject to annual charge (currently \$400) on separate tax form for state purposes

### Similarities

- Files Form 1040 reporting on Schedule C to pay federal income taxes
- Files RI-1040/RI-1040NR to pay state income tax on Federal AGI including Schedule C income

### Sole Proprietor

- Owner is the entity
- Can register a trade name with local municipality
- Personal liability
- No dissolution to close business
- No separate filing requirement or annual charge

# Personal and Corporate Income Tax Section

## Additional Updates

- Gross Earnings Tax Temporary Relief for Gas and Electric
  - Will show as credit on consumer utility bill
  - Months of December 2023 – March 2024
  - Utility company will apply for the rebate

# Personal and Corporate Income Tax Section

## 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

# Personal and Corporate Income Tax Section

## Contact Information

### Personal Income Tax

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

### Corporate Income Tax

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

# Leo Lebeuf

## Taxpayer Experience Liaison



# Taxpayer Experience Office



# Taxpayer Experience Office: Year 1 Results

## The Rhode Island Division of Taxation - Taxpayer Experience Office

### Working to:

- Educate the taxpayer community
- Address taxpayers' needs
- Enhance voluntary compliance with the state's tax obligations

### By:

- Creating innovative resources
- Compliant Taxpayer Profiles
- Incorporating Community Feedback
- Industry Guides
- Tax Professional Information Sessions
- Pilot program for virtual appointments
- Taxpayer Education Sessions
- Taxpayer Portal usability updates
- Engaging with community partners & community members
- Taxpayer Portal Training

### Through:

- 9 Taxpayer Education Sessions
- 9 Tax Preparer Information Sessions
- 6 Taxpayer Portal Trainings
- 8 New Community Partnerships
- 8 Innovative Taxpayer Education Campaigns
- 27 Resolutions of complex taxpayer issues

# 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
- Improve Voluntary Compliance
  - [Restaurant Industry Guide](#)
  - [Taxpayer Profiles](#)

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 navigation bar with "Home" selected. 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:** Text 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." and "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?:** 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 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?". 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.



# Compliant Taxpayer Guide: Retailer

## Example:

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.



This example is for educational and informational purposes only. It is not a substitute for compliance with the R.I. General Laws and any relevant rules or regulations. Depending on your specific business model, you may have additional or different requirements.

## Basics

- Registered for [Taxpayer Portal](#)
- Annual [Sales Permit](#) renewal filed by 2/1
- [RI-STR \(Sales tax return\)](#) filed by the 20th day of the month following the month in which the [tax was collected](#)

## → Annual filings

- [RI-W3](#) filed by 1/31
- [W2s filed by secure FTP](#) using [tax.prodcontrol@tax.ri.gov](mailto:tax.prodcontrol@tax.ri.gov) by 1/31
- [RI-1065](#) filed by 4/15 with \$400 annual charge and RI K1s to partners

## → Withholding taxes

- [Withholding payments made each Monday](#)
- [RI-941](#) filed quarterly before 4/30, 7/31, 10/31, and 1/31

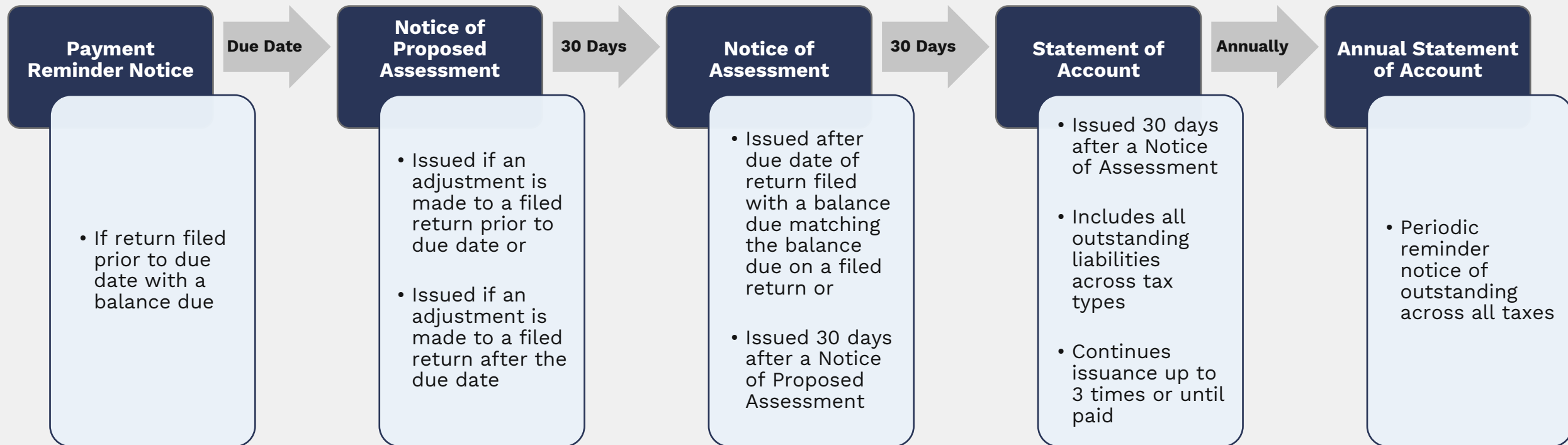
## → Personal Income Tax

- Shareholders filed [RI-1040ES](#) making estimated payments on 4/15, 6/15, 9/15, and 1/15
- Shareholders filed [RI-1040](#) by 4/15



# Taxpayer Experience Office

## State Tax Notices Timeline



# Taxpayer Experience Office

## State Tax Notices Timeline

- Other assessment notices
  - Compliance Notices – similar to a Notice of Proposed Assessment (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

# Forms, Credits, and Incentives Section

## Tax Credits and Incentives

### Wavemaker Fellowship Expansion

- Still administered by Commerce Corporation
- Graduates who have incurred Student Loan Debt while obtaining a degree
- Must be employed in Rhode Island-not just RI company
- Fields of Science, Technology, Engineering, Mathematics and Healthcare
- Added Elementary and Secondary Education
- [Wavemaker Fellowship - Commerce Corporation \(commercerci.com\)](http://commercerci.com)

# Taxpayer Experience Office

## Forms Approval and Submission Process

MeF, 2D Barcode, and Paper filings follow this process

### Draft Form Posting

- To allow software vendors to update software products for new forms and changes to existing forms
- Begin programming updates of Taxation system(s)

### Software Vendor Submissions

- Taxation creates test cases for software vendors
- Software vendors submit test case returns for Taxation review

### Final Form Postings

- Software vendors are allowed to submit test cases prior to final forms
- If forms are updated after submission, vendor is informed by Taxation to resubmit

### Submission Review

- Taxation will review submissions and require vendors to make necessary corrections prior to approval

### Vendor Approval

- Taxation posts approved software vendors to website



# Taxpayer Experience Office

## Things to Come

- Additional Guides
  - Manufacturers Guide
  - Contractor's Guide
- On-line Taxpayer Profile Tool
- In-House New Business Workshops
- Meals and Beverage Clarity

# More Tax Resources

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



or

A screenshot of a dark blue web form for signing up for tax news. At the top left is the Rhode Island state seal and the text "STATE OF RHODE ISLAND Division of Taxation Department of Revenue". The main heading is "Subscribe for tax news". Below it, the text reads "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 legal 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/](\"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. [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".

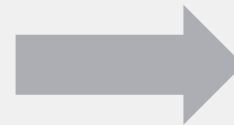
**Cheri O'Connor**  
**Chief Business Management Officer**  
**Compliance, Collections, Registration**  
**and Taxpayer Experience**

# Compliance and Collections Section

## 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 payment
- Remaining balance will 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
- Your request will be reviewed for a determination



### 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)

# Compliance and Collections Section

## 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

# Compliance and Collections Section

## Frequently Asked Questions and Best Practices-Portal

### **Q: Why do I have to change my password so often?**

**A:** For a few reasons:

- The State takes information security seriously.
- To protect sensitive tax information from identity theft.
- Former employees may have shared the password.

### **Q: Why does the system show “forecasted penalty” and “forecasted interest” if I have already remitted payment and are now filing the tax return?**

**A:** If you are filing a return after your payment has been processed, the system will need to pair the return to the payment once the return is filed and processed.

Therefore, the system will present the “forecast” based on the amounts contained in the return you are submitting today.

### **Q: I filed the return. The portal indicated the amount due on the date I filed the return. I made the payment 10 days later. Why was the amount different?**

**A:** : The forecasted penalty and interest is based on the date the return was filed not when the payment was made.

Interest and penalty will continue to accrue if there is an outstanding tax balance.

# Compliance and Collections Section

## Frequently Asked Questions and Best Practices-Collections

### **Q: Why is my license and registration blocked and what are my repayment options?**

**A:** Under R.I. Gen. Laws § 31-3-6.1, a license/registration can be blocked due to delinquent filings and/or outstanding balances.

To release the block, the taxpayer must be filed up to date for the last seven (7) years and outstanding balances must be satisfied. A taxpayer may enter an installment agreement; certified funds must be remitted to release blocks.

### **Q: Does the State of Rhode Island have a hardship/deferment program?**

**A:** The RI Division of Taxation does not have a non-collectible status but does have options for taxpayers facing financial hardship such as installment agreements and offers in compromise.

### **Q: Is 50% down required to enter into an installment agreement?**

**A:** A highly likely acceptance for balances greater than \$1,000 is 50% down and full payment in 12 monthly installments.

However, if that is not possible, then we will work with a taxpayer upon completion of the income and expense portion of the agreement request form.

# Loriann Baccari

## Principal Tax Auditor, Excise & Estate



# Excise and Estate Tax Section

- Litter Tax Repealed
  - Effective 01/01/2024
  - [2023 Summary of Legislative Changes](#)
  - No renewals to be mailed
  - New business registrations still subject to \$25 for 2023



# Excise and Estate Tax Section

## Excise Tax Reminders

Sales Tax Permit  
Fee Eliminated

Effective as of 07/01/22

Forms still required to apply for renewal annually

Annual  
Reconciliations

Discontinued beginning with Tax Year 2023

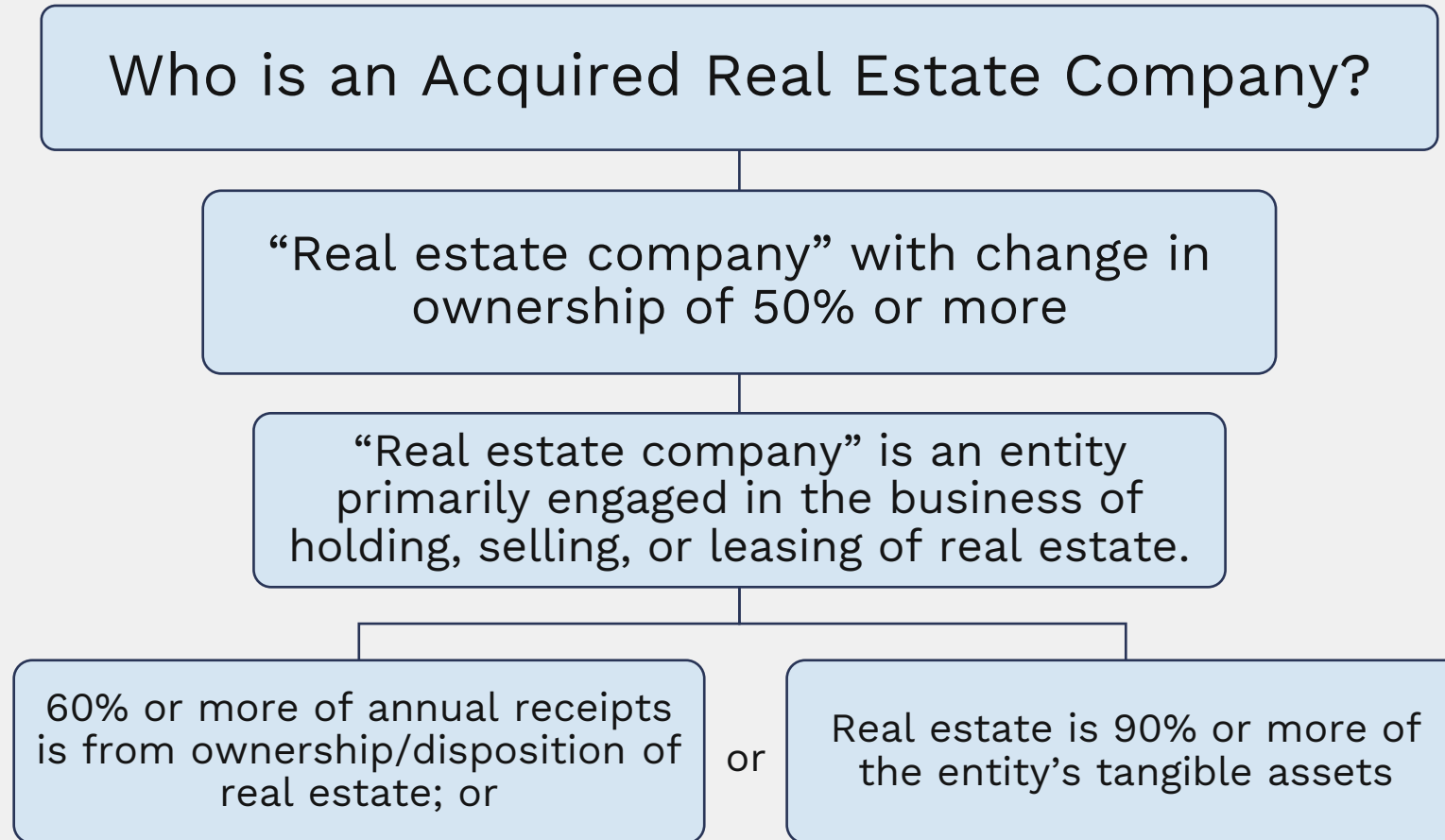
Still required for Artistic Works and Alcohol

# Excise and Estate Tax Section: Real Estate Conveyance Tax – Acquired Real Estate

Acquired real estate transaction occurs when:

- Company with changing ownership is subject to Real Estate Conveyance tax as “property sale.”
- &
- The company with the change in ownership primarily engaged in holding, selling, or leasing real estate.

# Excise and Estate Tax Section: Acquired Real Estate Conveyance Tax



# Excise and Estate Tax Section: Acquired Real Estate Conveyance Tax

## Calculation of Tax

- The tax rate is \$2.30 per \$500.00 (or fractional part) of sales price
  - Formula:  $(\text{Total Sales Price} \div \$500) \times \$2.30 = \text{Tax Due}$
- An additional tax of \$2.30 per \$500 on sale of **residential property** for amounts over \$800,000 is due.\*
  - Residential property formula:  $(\text{Total Sales Price} \div \$500) \times \$2.30$  plus  $(\text{Amount over } \$800\text{K} \div \$500) \times \$2.30 = \text{Tax Due}$

\*Enacted in FY 22 Appropriation Bill ([House Bill 6122Aaa, Article 14 Section 6, page 285](#))

# Excise and Estate Tax Section: Acquired Real Estate Conveyance Tax

What is residential real property?

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



# Excise and Estate Tax Section: Acquired Real Estate Conveyance Tax

## Useful links:

- [Acquired Real Estate Company Advisory](#)
- [R.I. Gen. Law § 44-25-1](#) amended was effective July 1, 2015.
- [CVYT-2 Acquired Real Estate Conveyance Tax](#)
- Question should be directed to [tax.excise@tax.ri.gov](mailto:tax.excise@tax.ri.gov)



# Excise and Estate Tax Section

## Estate Tax Update

- Form-RI-706 Estate Tax return
  - Form used for taxable and non-taxable estates
  - 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
  - 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
  - 2023 Inflation adjusted amounts
    - Threshold \$1,733,264—Credit \$80,395
    - 2024 amounts published by end of year



# Excise and Estate Tax Section

## Estate Tax Update

- Best Practices for Filing an Estate Tax Return
  - All applicable items on Part 6, Recapitulation Schedule must be completed for taxable and non-taxable estates.
  - Backup **must** be provided for all items listed on part 6 for estates greater than \$1.3M.
  - Early lien releases only provided when the decedent / estate owns multiple properties.
    - Full payment of the estimated liability must be included.
  - Book value at date of death hierarchy:
    - Purchase and sale within 6 months of DOD;
    - Appraisals; and
    - Assessed values (may request appraisal based on return review).

# Excise and Estate Tax Section

## Estate Tax Update

- Best Practices for Filing an Estate Tax Return – continued
  - Other items required of all returns:
    - Certificate of Appointment;
    - Power of attorney, if applicable;
    - Wills;
    - Trust agreements; and
    - Other items listed on part 5.
  - Copies of federal schedules are not acceptable in place of the RI schedules. All RI schedules must be completed. Federal schedules can act as backup if indicated on RI schedules.
  - Federal estate closing letters are no longer required for estates required to file Federal Form 706.

# Excise and Estate Tax Section

## Estate Tax Update

### Notes on non-taxable estates

Non-taxable estates may file an Estate Tax return for various reasons, including:

- To obtain a discharge of the automatic statutory lien that attaches to all real estate that a decedent owns at death.
- To obtain a Notice of No Tax Due for probate court purposes.
- To obtain a Waiver to allow the sale of Rhode Island securities, including Rhode Island incorporated stock, Rhode Island state and municipal bonds, and mutual funds organized as business trusts that do business in Rhode Island.

# Excise and Estate Tax Section

## 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

# Excise and Estate Tax 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)

# Leo Lebeuf

## Taxpayer Experience Liaison

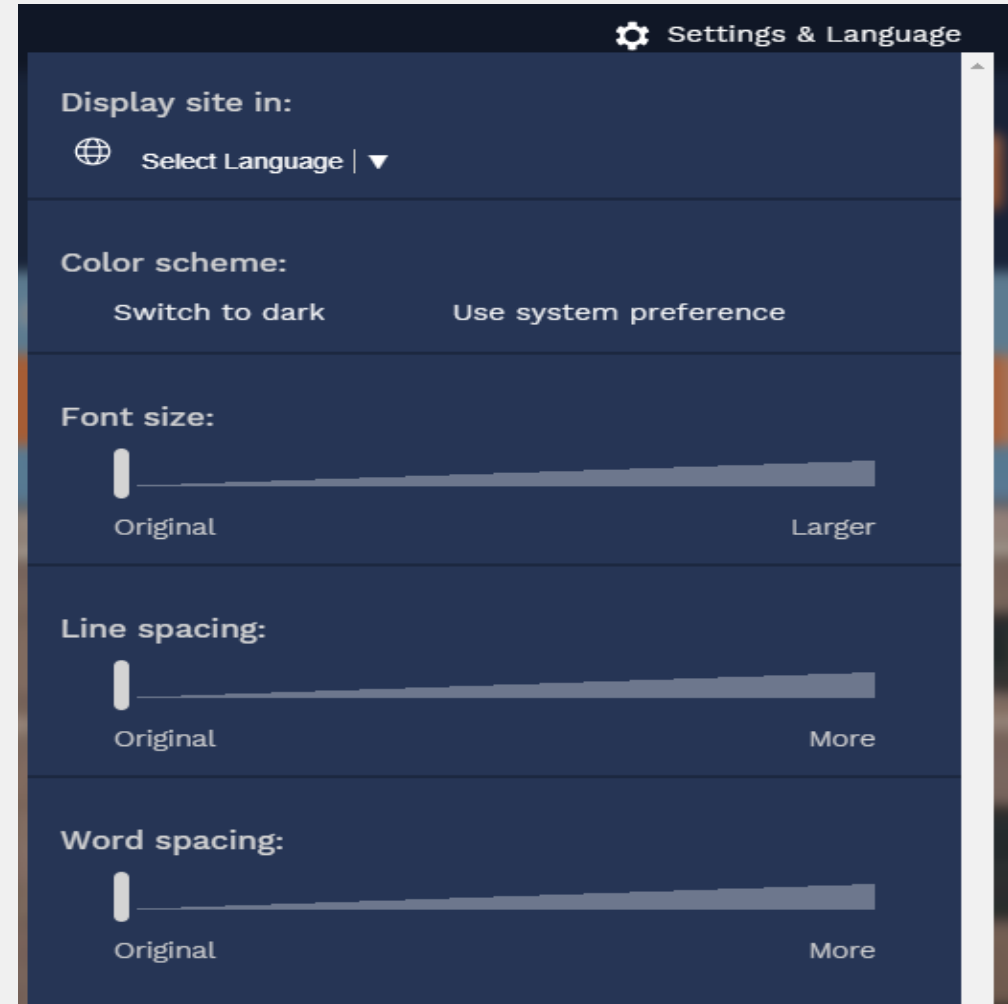
# Website Walk-through

- [Website](#) upgrade went live in 2021
- Screenshots included for display
- Increased search capabilities
- Designed to support multiple screen sizes and types of devices

# Website Walk-through

## Website Components and Features

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





# Website Walk-through

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

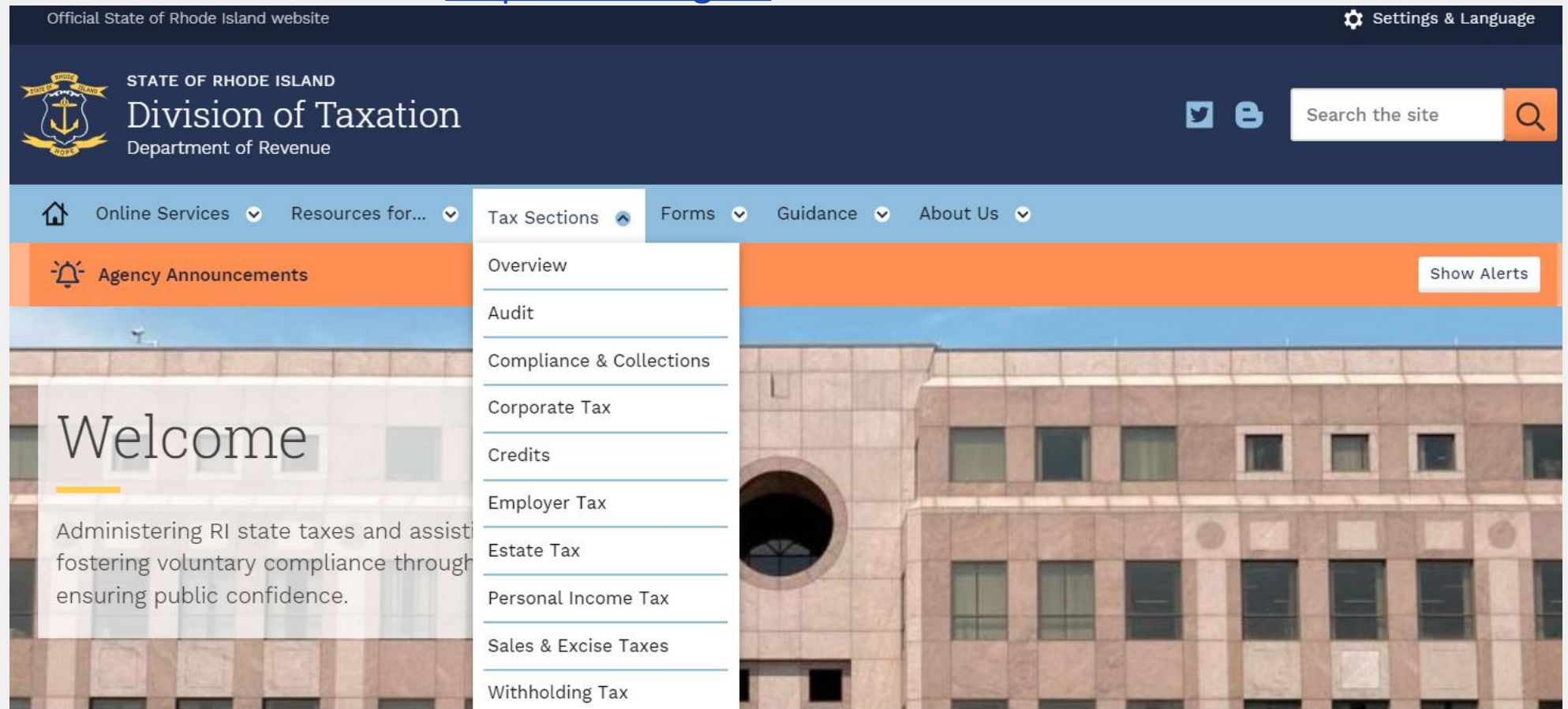
The screenshot shows the website's navigation bar with links for Online Services, Resources for..., Tax Sections, Forms, Guidance, and About Us. Below the navigation bar is an orange banner for Agency Announcements. The breadcrumb trail reads: Home » Resources For... » Businesses. A sidebar menu is open, showing 'Resources for...' with options for Individuals (+), Businesses (-), Audit, Corporate, Electronic Filing Mandate, Registration, and Sales & Excise. The main content area features the heading 'Resources for Businesses' and a new announcement: '\* NEW \* [The Restaurant Industry & Rhode Island Tax Guide](#)'. Below this, a paragraph states that starting in 2023, larger business registrants must file electronically. A section titled 'Business Taxes' follows, with a sub-section for 'Corporate Tax' indicated by a plus sign icon.

# Website Walk-through

## Website Components and Features

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

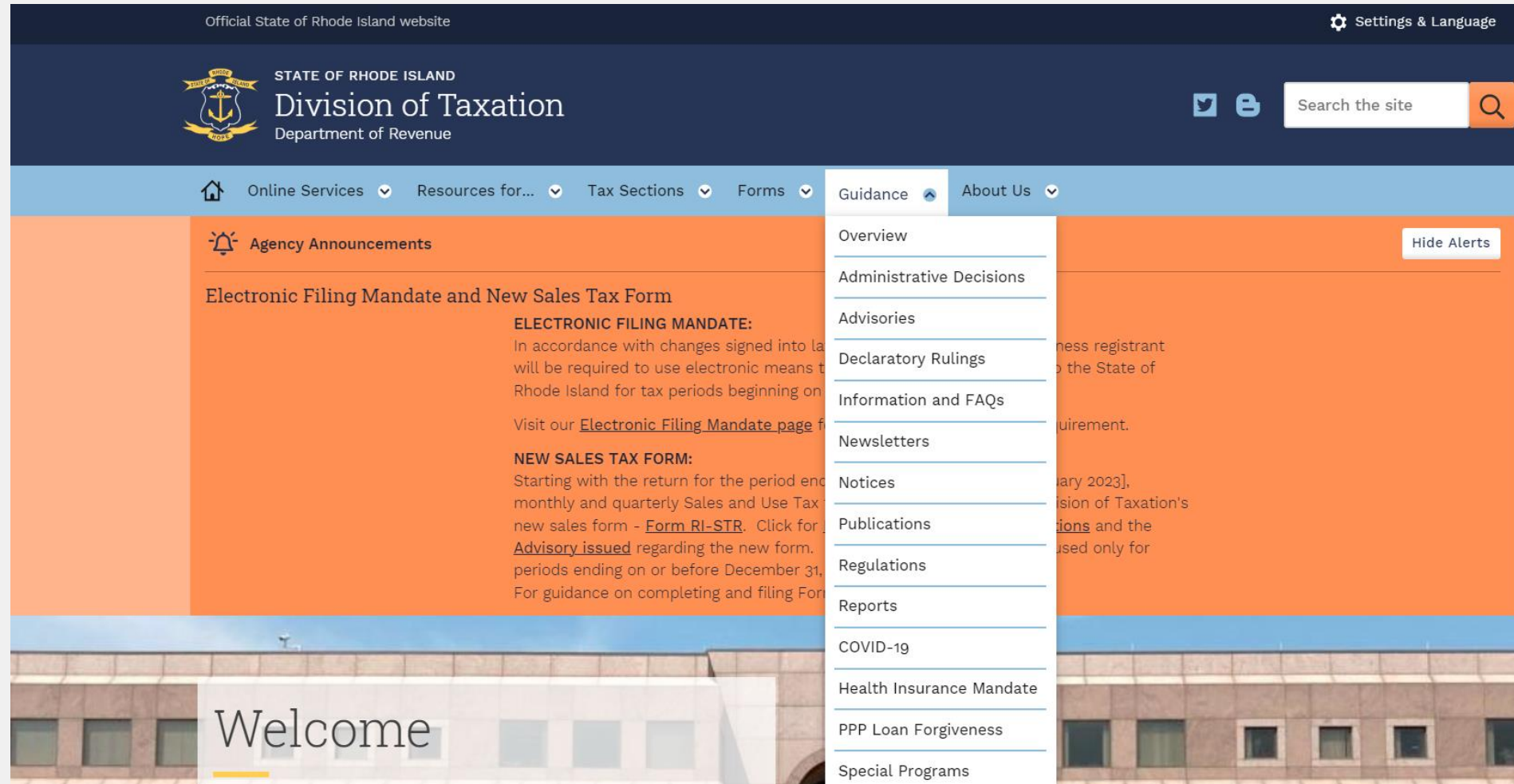
- Provides resources broken out by sections
- Forms are broken out in similar way



# Website Walk-through

## Website Components and Features

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



# Questions



# Thank you



STATE OF RHODE ISLAND

## Division of Taxation

Department of Revenue

### Contact Us

401-574-8829

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

One Capitol Hill

Providence, RI 02908

