



# Rhode Island Department of Revenue

## Division of Taxation

ADV 2024-02  
Tax Administration

ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS  
January 22, 2024

### 2024 Tax Changes

*Division reminds taxpayers of new year changes*

PROVIDENCE, R.I. – The Rhode Island Division of Taxation reminds taxpayers and tax professionals of the annual tax changes effective Monday, January 1, 2024.

Many of these changes apply for tax years beginning on or after January 1, 2024. Such changes generally do not affect Tax Year 2023 filings. The changes can, however, be useful for tax-planning purposes throughout calendar year 2024.

#### ■ Estate Tax Credit and Threshold Update

The Rhode Island estate tax credit is adjusted every year based on a calculation set in statute. For decedents dying on or after January 1, 2024, it will be \$83,370. This new credit amount is an increase from the 2023 amount of \$80,395.

The Rhode Island Estate Tax threshold is similarly adjusted. For decedents dying on or after January 1, 2024, the threshold will be \$1,774,583. This is also an increase from the threshold for 2023 which equaled \$1,733,264.

For the estate of a person who passes away in 2024, a net value of \$1,774,583 or less will generally not be subject to Rhode Island Estate Tax. In certain circumstances, the Rhode Island Estate Tax will not apply regardless of the estate's size. Please see [R.I. Gen. Laws § 44-22](#) for full details on the computation of the tax, including factors such as marital and charitable deductions.

Estate Tax Update		
	2023*	2024**
<b>Estate tax credit amount</b>	\$80,395	\$83,370
<b>Estate tax threshold</b>	\$1,733,264	\$1,774,583

\*For decedents dying in calendar year 2023. \*\* For Decedents dying in calendar year 2023.

For more information about the Rhode Island estate tax credit and threshold, please see [ADV 2023-19](#).

#### ■ Interest Rates

Interest on overpayments (refunds) for calendar year 2024 has increased to the rate of 8.50% per annum, up 2.25% from the rate for calendar year 2023.

For calendar year 2024, the interest rate on underpayments (delinquencies) will be 18% for Trust Fund taxes, and 12% for all other taxes.

For more information regarding interest rates please see [ADV 2023-16](#).

Interest Rates Update		
	2023	2024
<b>Overpayments</b>	6.25%	8.50%
<b>Underpayments – Trust Fund Taxes</b>	18%	18%
<b>Underpayments – Non-Trust Fund Taxes</b>	12%	12%
Note: Rates are determined by formulas set forth in statute.		

## ■ Personal Income Tax

The Personal Income Tax inflation-adjusted amounts have been calculated for 2024. These amounts apply for **Tax Year** 2024. This means the adjusted amounts will not appear on tax returns filed in 2024 covering Tax Year 2023. They are important to know now for tax-planning purposes and will be the amounts on tax returns seen in early 2025 for Tax Year 2024.

For details about personal income tax standard deduction amounts, exemptions, tax brackets, and related information for Tax Year 2024, please see [ADV 2024-01](#).

## ■ Form T-204R Discontinued

Sales Tax permit holders will notice that the Rhode Island Annual Sales and Use Tax Reconciliation Return - Form T-204R-Annual is no longer required for Tax Year 2023 and forward. Changes to the Sales and Use Tax Return for monthly and quarterly filers has made it possible to discontinue annual reconciliations for most sales tax filers. Filers of Form T-204W (for writers, artists, and composers) or Form T-204A (for liquor stores) are still required to file these annual reconciliation returns covering the 2023 calendar year.

For details about the discontinuation of Form T-204R, please see [ADV 2023-17](#).

## ■ Tax Credits Extended

Under legislation enacted in the 2023 legislative session, a number of tax credit and incentive programs that were scheduled to expire are now extended into 2024. The following table shows the updated sunset dates:

Tax Credits and Incentives Update		
Program:	Old Sunset Date:	New Sunset Date:
Stay Invested in RI Wavemaker Fellowship	December 31, 2023	December 31, 2024
Rebuild Rhode Island Tax Credit	December 31, 2023	December 31, 2024
Rhode Island Qualified Jobs Incentive Act of 2015	December 31, 2023	December 31, 2024
Rhode Island Tax Increment Financing	December 31, 2023	December 31, 2024
Historic Preservation Tax Credits 2013	June 30, 2023	June 30, 2024

## ■ Temporary Relief from Gross Earnings Tax

The passage of Rhode Island’s Fiscal Year 2024 budget provides for the addition of temporary relief from the gross earnings tax on electricity and gas. For the months of December 2023, January 2024, February 2024, and March 2024, the gross earnings tax on electricity and gas will not be charged to utility customers.

Find the details in the [Summary of Legislative Changes](#), and on the [Division’s website](#).

## ■ Earned Income Tax Credit Increase

For tax years beginning on or after January 1, 2024, the Earned Income Tax Credit has increased to 16% of the federal credit. The refundable portion continues to be 100% of the amount by which the Rhode Island EIC exceeded the Rhode Island income tax.

Find the details in [ADV 2023-13](#).

## ■ Medicaid Exemption from Individual Mandate Penalty

A new exemption to Rhode Island’s health insurance mandate (also known as the “individual mandate” or “health coverage mandate”) has gone into effect for Tax Year 2023. This exemption from the individual mandate penalty applies to those who had Medicaid during Tax Year 2023 and lost that coverage at some point during the year.

Find the details in the [Summary of Legislative Changes](#).

## ■ Litter Control Permit Eliminated

Effective January 1, 2024, the litter control participation permit and permit fee will no longer be a requirement in Rhode Island.

Find the details in the [Summary of Legislative Changes](#).

## ■ Scholarship Tax Credit Increase

The cap on the Tax Credits for Contributions to Scholarship Organizations program tax credit allowed for business entities making contributions to scholarship organizations has increased from \$1.5 million to \$1.6 million beginning in Tax Year 2024.

Find the details in the [Summary of Legislative Changes](#).

Tax Credits for Contributions to Scholarship Organizations			
<b>Fiscal Year:</b>	2007-2013	2014-2023	2024
<b>Credits</b>	\$1M	\$1.5M	\$1.6M

## ■ Identification Cards

The Rhode Island Division of Motor Vehicles (DMV) can issue state identification cards to applicants unable to establish legal presence in the United States effective January 1, 2024. Applicants must provide proof of residence in this state, a tax identification number, and must obtain a verification letter from the Division of Taxation to satisfy the requirement that the applicant has filed a personal income tax return or was claimed as a dependent for the tax year preceding the application.

Find the details in the [Summary of Legislative Changes](#).

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*The Rhode Island Division of Taxation, part of the Rhode Island Department of Revenue, is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <https://tax.ri.gov/about-us/contact-us>.*

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