

# Rhode Island Tax News

Fourth Quarter, 2023

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## In the Community

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

### Tax Compliance Day

Collaborative event with the Division of Taxation, IRS, VITA free tax preparation, Secretary of State, RI DMV, and Department of Revenue - Central Collections Unit.

 **January 10, 2024**  
9:00 AM - 3:00 PM  
Adverse weather day January 17

 **Rhode Island College**  
**Alger Hall - Room 110**  
600 MOUNT PLEASANT AVENUE  
PROVIDENCE, RI 02908



Reserve your preferred time at:  
<https://tax.ri.gov/about-us/tax-compliance-day>  
Walk-ins welcome

In collaboration with:

 **Rhode Island Department of Revenue**  
Central Collections Unit

 **RI DMV**  
STATE OF RHODE ISLAND  
DIVISION OF MOTOR VEHICLES

 **VITA**  
Advancing Income Tax Excellence  
**TCE**  
Tax Counseling for the Elderly  
Providing Community Service to Millions

 **TAXPAYER  
ADVOCATE  
SERVICE**  
YOUR VOICE AT THE IRS

 **RI Business  
Services**

## Tax Compliance Day

The Division of Taxation is hosting a special event on January 10, 2024. Tax Compliance Day is a collaborative event to be held at Rhode Island College to assist taxpayers with complicated multi-agency compliance issues.

The IRS Taxpayer Advocate Service, RI DMV, VITA free tax preparation, RI Department of State, and RI Central Collections Unit have graciously accepted the invitation to participate in the event.

By having these agencies together in one place, attendees will be able to discuss resolution of such issues as tax debts or delinquencies, tax-related license blocks, receive refunds they may not have been aware they are entitled to, and find resources to stay up to date on their legally required filings.

This event is free to attend and open to all taxpayers, both individuals and business entities. Registration is not required, though is encouraged to ensure adequate staff is available to meet attendees' needs.

Please share this event with anyone who may benefit. Information about the event, including registration, is available on our website at <https://tax.ri.gov/about-us/tax-compliance-day>.

Please also see above our event one-pager – feel free to distribute this to any interested parties.

[Learn more and register here](#)

[Advisory 2023-21](#)

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## Updates

### Contacting the Division amid Washington Bridge westbound closure

The Rhode Island Division of Taxation reminds taxpayers and the community of the numerous ways they can choose to interact with the Division. With the recent closure of I-195 west on the Washington Bridge, cooling temperatures, looming winter weather, and approaching cold and flu season, you may choose to limit your in-person interactions and trips into Providence.



Find the details in [Advisory 2023-20](#).

## Interest rates posted for 2024

The Rhode Island Division of Taxation has announced the interest rates that will apply in 2024 to overpayments and underpayments. The rates are based on formulas set in statute.

Interest on overpayments for calendar year 2024 shall be at the rate of 8.50% per annum. For calendar year 2023, the rate was 6.25% per annum.

Interest rate on overpayments (refunds)	
Calendar Year 2023	Calendar Year 2024
6.25%	8.50%

For calendar year 2024, the interest rate on delinquent tax payments shall be determined by the tax type.

For calendar year 2024, the interest rate on delinquent tax payments of Trust Fund Taxes shall be 18.00% per annum, and the interest rate on delinquent tax payments of other tax types shall be 12.00% per annum.

Interest rate on underpayments (delinquencies)		
	Calendar Year 2023	Calendar Year 2024
<b>Trust Fund Taxes</b>	18.00%	18.00%
<b>Other Tax Types</b>	12.00%	12.00%

Find the details in [Advisory 2023-16](#).

ADV 2023-16



### RI estate tax credit and threshold set for 2024

The Rhode Island Division of Taxation has published the Rhode Island estate tax credit amount and threshold for the estates of decedents with a date of death on or after January 1, 2024.

RI's Estate Tax credit is adjusted annually by the percentage



### Annual MeF shutdown and switchover

In line with the IRS, the Division completed the annual MeF electronic filing shutdown and switchover for Personal Income Tax 1040 returns occurred on November 18, 2023.

The date for the annual business return shutdown is December 15, 2023.

increase in the consumer price index for all urban consumers (CPI-U).

Find the details in [Advisory 2023-19](#).

ADV 2023-19

E-filing will reopen in January 2024.

Find the details in [Advisory 2023-18](#).

ADV 2023-18

## Discontinuation of Annual Sales Tax T-204R Reconciliations Forms

The Rhode Island Division of Taxation has announced that the Rhode Island Annual Sales and Use Tax Reconciliation Return - Form T-204R-Annual will no longer be required for Tax Year 2023 and forward.

Form RI-STR, introduced in late 2022 for periods beginning on and after January 1, 2023, aligns Rhode Island's Sales and Use Tax form with forms used in neighboring states. This provides a more consistent experience for taxpayers, as well as allows taxpayers to reconcile sales each period, rather than only at the end of the year.

Find the details in [Advisory 2023-17](#).

ADV 2023-17

## HIGHLIGHTS

- Sales permit holders are no longer required to submit the return T-204R for tax years beginning in 2023.
- **Filers of T-204A (for liquor stores) and T-204W (for writers, composers, artists) are still required to file these annual reconciliation returns covering the 2023 calendar year.**



## Newsletter Archive

For your convenience, newsletters, including this one, are available in our online Newsletter Archive.

Newsletter Archive

## Tax Talk

### The Benefits of Voluntary Compliance

The Rhode Island Division of Taxation's Taxpayer Experience Office (TEO) was created with the goal to educate the taxpayer community and to address taxpayers' needs in order to enhance voluntary compliance with the state's tax obligations.

One of the ways the TEO is educating taxpayers and fostering transparency is by developing resources to make it easier for taxpayers to voluntarily comply with the tax laws. You have likely

seen the TEO's [compliant taxpayer profiles](#), or attended an [outreach event or presentation](#) online or in the community.

But why is voluntary compliance important?

Taxpayers who voluntarily comply with Rhode Island tax laws see the following benefits:

- Peace of mind
- Ability to focus on business objectives
- Financial stability
- Fulfillment of civic responsibility
- Ability to maintain professional licensure
- Cost savings related to attorneys' fees and CPA billable hours
- Avoidance of costly interest and penalties
  - Interest rate of 12% mandated by law
  - Penalties vary by tax type

Taxpayers who are proactive in asking questions and seeking information are able to have peace of mind they are following the tax laws. More importantly for business entities, they avoid the costly interest and penalties which reduce their profit.

Taxpayers should review the resources available on our [website](#) such as:

- Frequently asked questions embedded within each specific [tax section's page](#)
- Resources developed on our [Taxpayer Experience webpage](#)
- [Forms and specific instructions](#) for each specific tax
- Various [guidance](#) documents

If a taxpayer is not able to get their questions answered through use of these resources, they can reach out directly to the Tax Section most aligned with their question by visiting the [Contact Us](#) page on our website.

If you are currently dealing with a complicated compliance issue, or are a tax professional with a client seeking a resolution, the Division welcomes you to attend [Tax Compliance Day](#) on January 10, 2024, at Rhode Island College's Alger Hall, Room 110.

[Learn more](#)

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Thank you!

### **Seminar for Tax Preparers**

Thank you to all attendees of the annual Seminar for Tax preparers. This year the Division presented state tax updates and clarifying information to more than 300 tax professionals over two days.



## Rhode Island Department of Revenue Division of Taxation

Seminar for Tax Preparers

November 30, 2023



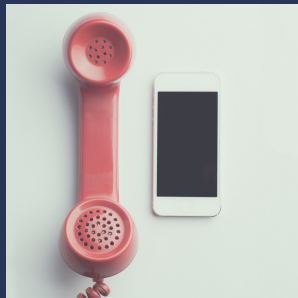
Find resources including the presentation slides on the Taxpayer Experience Office's webpage. For the slides, scroll down to Past Calendar events - 2023 and select the Division of Taxation Seminar for Tax Preparers date you would like to review.

[Taxpayer Experience Office webpage](#)

Interested in the Division's outreach programs?

The [Taxpayer Experience Office webpage](#) contains both an archive of past presentations and a list of upcoming outreach events.

### Tax Tip Line



Do you have information about wrongdoing involving Rhode Island state taxes?

Rhode Island Division of Taxation's Special Investigation Unit staffers follow up on all tips. You can choose to leave your name and contact information or remain anonymous.

401-574-TIPS (8477)

[Report Online](#)

### Legal Corner

#### Administrative Decision

An administrative decision is a final decision issued following an agency proceeding in which an individual or entity formally requests a hearing.

In 2023 Q3's Administrative Decision, the issue addressed was:

#### [Administrative Decision 2023-07:](#)

It was determined that the Taxpayer owes use tax on two (2) trucks purchased, one in 2018 and one in 2019, because it was not found that the Taxpayer was a *bona fide* Rhode Island

nonresident. Additionally, R.I. Gen. Laws § 44-18-30(23) only allows for a trade-in allowance for passenger cars and not trucks. Therefore, the Taxpayer cannot be given trade-in allowance on either purchase.

[View Administrative Decisions Archive](#)

### Declaratory Ruling

A Declaratory Ruling is issued at the request of a taxpayer and is limited to the facts set forth therein. The Ruling has precedential value and may be generally relied on by all persons with respect to substantially similar transactions.

#### [Declaratory Ruling 2023-02:](#)

The issue addressed was whether Rhode Island's sales tax applies to Taxpayer's charges for its online courses.

It was determined that the Taxpayer's charges for its online programs and computer software are subject to Rhode Island sales and use tax.

[View Declaratory Ruling Archive](#)



"I like to pay taxes. With them, I buy civilization."

— Oliver Wendell Holmes Jr.

### Contact



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