



Division of Taxation

Department of Revenue

Rhode Island Tax News

First Quarter, 2024

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Upcoming Event



STATE OF RHODE ISLAND
Division of Taxation
Department of Revenue



Tax Compliance Day

Collaborative event with the Division of Taxation, IRS, Volunteer Income Tax Assistance (VITA), and the RI Department of State Division of Business Services.



April 8, 2024
12:00 PM - 7:00 PM



RI Department of Labor & Training
11511 PONTIAC AVENUE
BUILDING 73
CRANSTON, RI 02920



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

Walk-ins welcome.

In collaboration with:



[Learn more](#)

The first Tax Compliance Day was so well received by taxpayers that the Division has announced the **next Tax Compliance Day event will be held on April 8, 2024**. If you or a client have a complicated Rhode Island and/or complicated federal tax issue, please reserve your spot to join us at the Department of Labor and Training's main office, 1511 Pontiac Avenue, Building 73, Cranston, RI 02920. Timeslots are available between the hours of 12:00 p.m. and 7:00 p.m.

To learn more about Tax Compliance Day events and/or reserve a time to attend, visit the [Division's website](#).

In the Community

The Inaugural Tax Compliance Day

Thank you to everyone that made the first-ever Tax Compliance Day a success. The January 10th event provided an opportunity for taxpayers to resolve outstanding compliance issues and questions involving multiple agencies. The collaborative nature of Tax Compliance Day allowed taxpayers to address multi-agency issues same-day in one trip.

Most taxpayers were able to resolve their issue entirely or create a path to resolution within a few hours. This would not have been possible without the dedication and teamwork of the participating partner agencies, and the commitment toward compliance of the taxpayers that attended.

Special thanks to the IRS Taxpayer Advocate Service, IRS VITA, RI Central Collections Unit, RI Division of Business Services, and RI DMV.



Updates

Contractors & Rhode Island Tax A Guide for Businesses

The Rhode Island Division of Taxation released a new guide to assist and educate Rhode Island taxpayers. The “Contractors & Rhode Island Tax” guide is a resource for taxpayers and tax professionals in the contracting sector.

Rhode Island is home to a vibrant and skilled contracting industry. The “Contractors & Rhode Island Tax” guide is intended to help individual and business entity contractors and subcontractors in every corner of the industry.



Find the guide on the Division's [Taxpayer Experience Office](#) and [Resources for Businesses](#) pages.

Contractors & Rhode Island Tax

2024 Tax Changes



The Rhode Island Division of Taxation has posted guidance for taxpayers and tax professionals regarding the annual tax changes that became effective on Monday, January 1, 2024.

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

Find the details in [Advisory 2024-02](#).

Advisory 2024-02

Fraud Calls Claiming to be from the RI Division of Taxation

The Rhode Island Division of Taxation has published guidance pertaining to possible spam/scam phone calls claiming to be from the Rhode Island Division of Taxation.



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Please see Advisory 2024-09, for tips and guidance to help you stay safe from scammers and identity thieves.

If you receive calls that are unexpected or seem suspicious, please contact the Division's Taxpayer Assistance Section directly by email at tax.assist@tax.ri.gov or by phone at [401-574-8829](tel:401-574-8829), [option #3](#), to confirm authenticity.

Please see [Advisory 2024-09](#), for tips and guidance to help you stay safe from scammers and identity thieves.

ADV 2024-09



Email Taxpayer Assistance



Call Taxpayer Assistance



Retirement Income Guide

The Division's annual guide for retirement income has been published. This guide is intended to assist taxpayers in determining how retirement income tax modifications may relate to their personal tax situation. This year, the guide



Pass-Through Changes

The Rhode Island Division of Taxation continues its efforts to streamline filing requirements for taxpayers and tax preparers. Part of this process is the ongoing modernization of pass-through withholding.

has been updated to cover updated modifications and scenarios. The guide focuses on the Pension and Annuity Income Modification, the Military Service Pension Modification, and the Social Security Modification.

Read the guide: [Publication 2024-01](#).

**Retirement Income
Guide**

For Tax Year 2023, the Schedule PTW or the Schedule PTW-1041, as applicable, will replace the discontinued RI-1096 form series. For details and a Schedule PTW/Schedule PTW-1041 overview, see the Division's recent guidance.

Find the details in [Advisory 2024-12](#).

ADV 2024-12



Warning: Scams

The Rhode Island Division of Taxation warns the tax preparer community of two scams specifically targeting tax professionals.

Find the details in [Advisory 2024-04](#).

ADV 2024-04



Filing Season

Rhode Island Personal Income Tax returns for Tax Year 2023 have a tax filing start date of January 29 and due date of April 15.

Find the details in [Advisory 2024-03](#).

ADV 2024-03

Application is now Available

The gross earnings temporary relief application is now available for utility companies. The application can be found on the Division's website on the dedicated [Temporary Relief From The Gross Earnings Tax On Electricity and Gas page](#). For more information about filing requirements and due dates, please review the FAQs on the Division's [dedicated webpage](#).

Find the details in [Advisory 2024-08](#).



ADV 2024-08

Tax Talk

Did you know?

Rhode Island law provides for a claim for refund for personal income taxes. The timeframe for claiming a refund is explained in the following chart.*

Statute of limitations for Rhode Island personal income tax refunds

Rhode Island General Laws § 44-30-87

A claim for credit or refund of an overpayment of tax must be filed within:

- **Three (3) years from the time the return was filed; or**
- **Two (2) years from the time the tax was paid;**
- Whichever of the periods expires the later.

• Three-year rule	If the claim is filed within the three-year period, the amount of the credit or refund cannot exceed the amount of the tax paid within the three-year period.
• Two-year rule	If the claim is not filed within the three-year period, but is filed within the two-year period, the amount of the credit or refund cannot exceed the amount of the tax paid during the two years immediately preceding the filing of the claim.

Note: Any income tax withheld from the taxpayer during any calendar year, and any amount paid as estimated income tax for a taxable year, is **deemed to have been paid on the fifteenth day of the fourth** month following the close of the taxable year for which the payments were being made.

Example

- Maria's 2012 return was due on April 15, 2013.
 - However, she actually filed the return on July 1, 2015.
 - As a result, July 1, 2015, becomes the starting date for the three-year rule.
 - The three-year period thus runs from July 1, 2015, to July 1, 2018.
 - Were there any Rhode Island income tax payments attributable to 2012 during this three-year period? No. Thus, Maria does not meet the guidelines of the three-year rule.
- When Maria worked in 2012, Rhode Island personal income tax was withheld from her wages each week for 52 weeks.
 - By statute, the wage withholding was deemed paid on April 15, 2013.
 - Maria then had two years from the April 15, 2013, payment date to file a 2012 return.
 - Was the return filed within the two-year period? No. Maria does not meet either the three-year rule or the two-year rule.
 - Her refund claim is therefore denied.

Note: federal and state tax laws are often different. These laws also differ from state to state. Rhode Island laws and federal laws are not the same when it comes to personal income tax refunds.

*For a .pdf version of the chart, click/tap/select the image of the chart.

Record Keeping Tips

Did you know the RI Division of Taxation has developed a record keeping guide to help Rhode Island businesses understand best practices for records retention?

It is important for businesses to maintain records to support income, expenses, assets, exemption certificates and many other items. A list of such items can be found in the [Record Keeping Requirements](#) guidance posted on our website.

The Division's Audit and Investigation Unit developed the document to help businesses understand their requirements regarding the records needed to support the amounts listed on tax returns. It is

important to keep records that support returns filed with both the Division and the Internal Revenue Service.

All records should be maintained for a minimum of six (6) years for purposes of audit.

The Internal Revenue Service also provides resources for record retention at irs.gov including:

- [Publication 583 \(Rev. January 2021\) \(irs.gov\)](#)
- [Keeping vital records safe can make disaster recovery easier | Internal Revenue Service \(irs.gov\)](#)

[Learn more](#)

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.

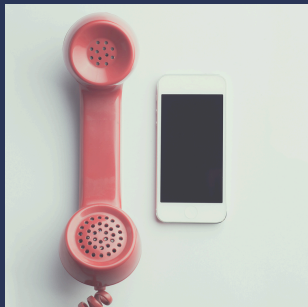


Newsletter Archive

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

[Newsletter Archive](#)

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 Decisions

An administrative decision is a final decision issued following an agency proceeding in which an individual or entity formally requests a hearing. In 2023 Q4's Administrative Decisions, the issues addressed were:

[Administrative Decision 2023-08:](#)

It was determined that because the Taxpayer failed to file a 2017 personal income tax return, the Taxpayer owes the assessment for the income tax, interest, and late filing penalty.

[Administrative Decision 2023-09:](#)

It was determined that the Taxpayer breached its 2022 Stipulation of Settlement on a tobacco assessment with the Division, and now owes the tax and penalties assessed, minus any payments it already made.

[Administrative Decision 2023-10:](#)

It was determined that because the Taxpayer did not apply for a Part 1 and Part 2 historic preservation tax credit certification within 90 days of the date of notification of the availability of tax credits, it lost its place in the queue and forfeited all rights, claims and entitlements to the credits initially available to the project.

[View Administrative Decisions Archive](#)



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

— Oliver Wendell Holmes Jr.

Contact

