



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

Rhode Island Society of Certified Public Accountants

January 14, 2026

Neena Savage
Tax Administrator
Rhode Island Division of Taxation

Agenda

- About Us: Division of Taxation
- Excise Tax Summary
- Personal and Corporate Income Tax Updates
- Compliance and Collections Updates
- Closing Remarks

About Us

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

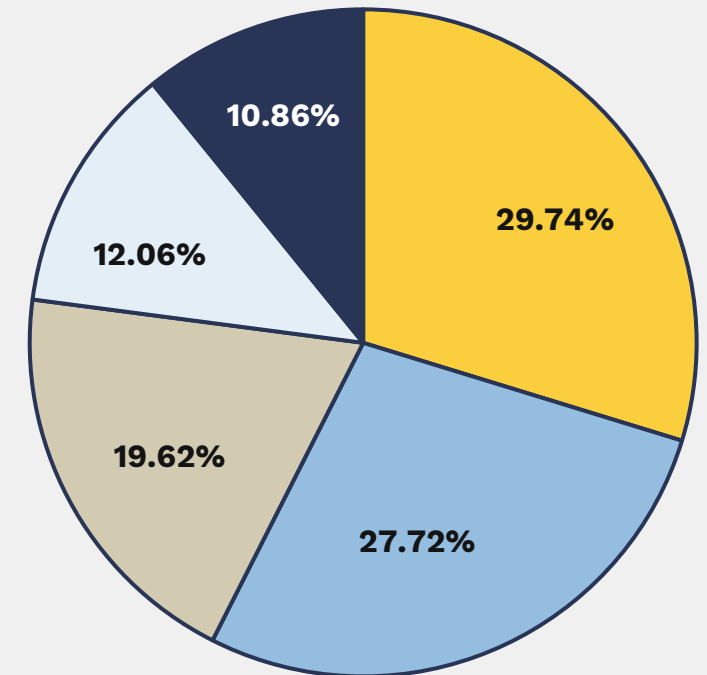
- The Rhode Island Division of Taxation employs **228 tax professionals**, administering more than **62 different taxes and fees**.
- Taxes represent **the most significant source of General Fund revenue** for Rhode Island – funds used to help pay for vital services including public safety, education, transportation, and recreation for all Rhode Islanders.
- Each year, the Division **collects and distributes more than \$5.45 billion** in funds to the State, municipalities, and other agencies (as of FY 25).

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.

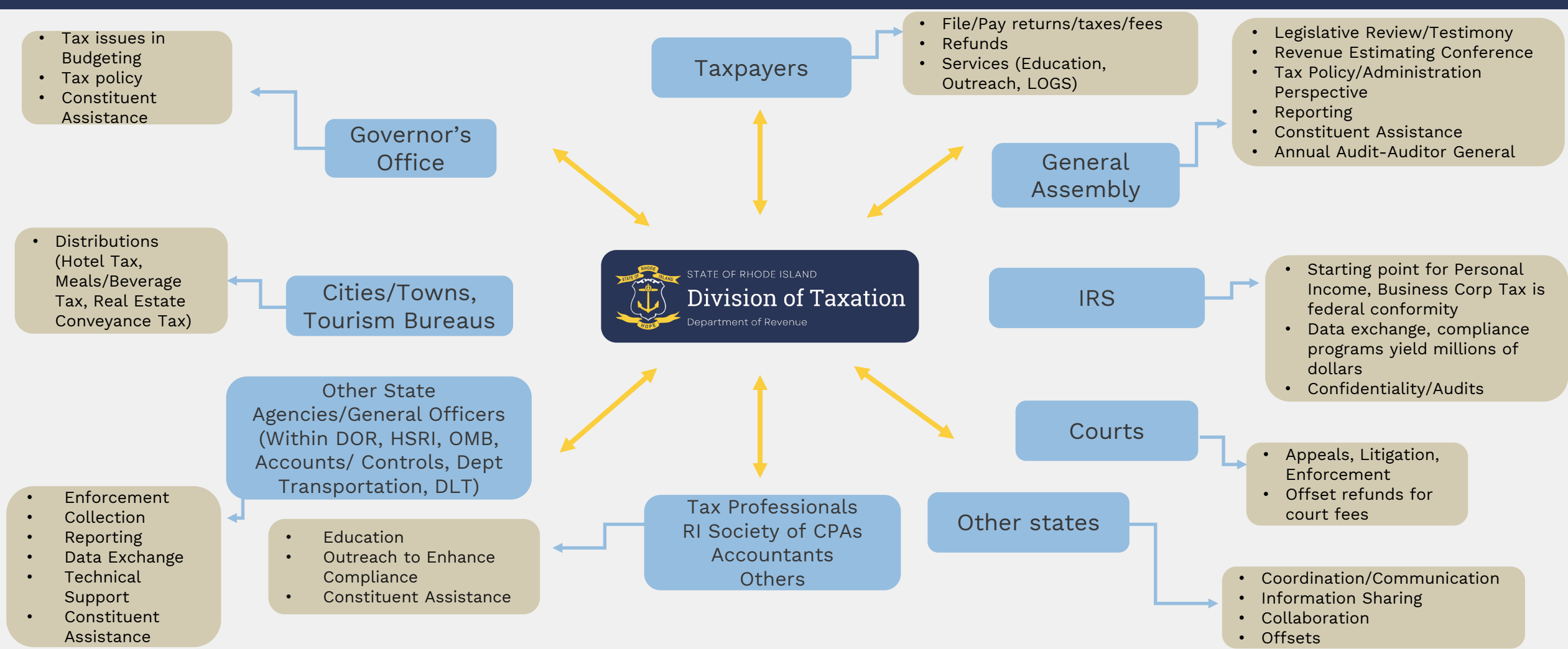
Total State Tax Revenue Collected by the Division of Taxation for Fiscal Year 2025 (\$, In Millions)

FY25 Receipts: \$5.45B

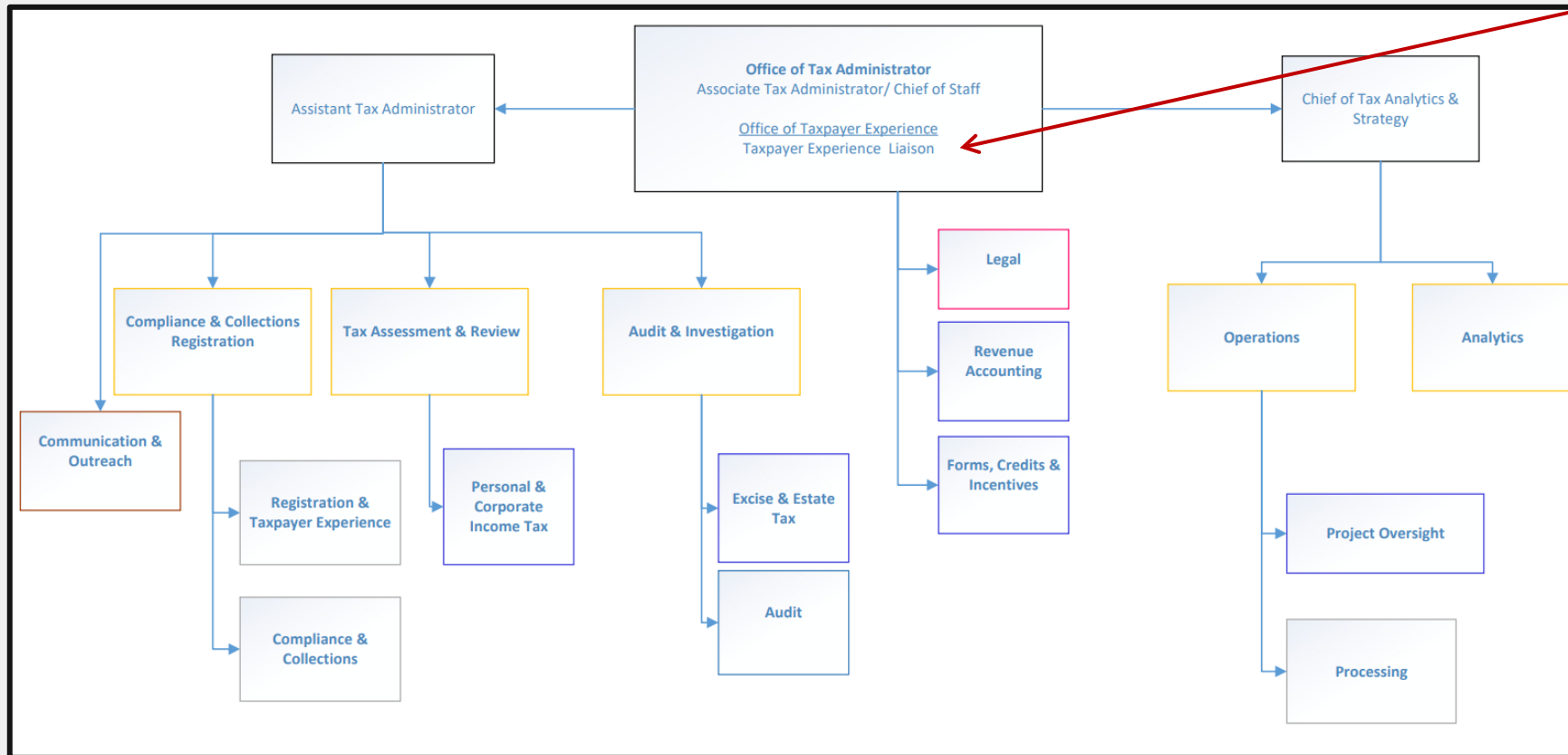


■ Withholding ■ Sales ■ Corp ■ PIT ■ Estate, M&B, Hotel & Other

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

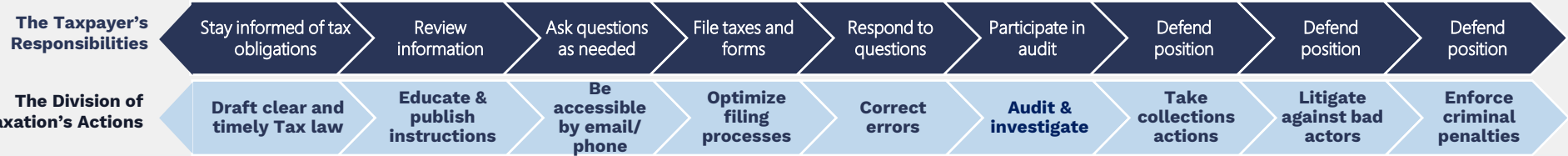
The Tax Administration Efficiency Continuum

VOLUNTARY COMPLIANCE

FORCED COMPLIANCE

Less expensive, more efficient revenue generation

More expensive, less efficient, but necessary



- ▲ 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

How are we improving taxpayer services, voluntary compliance?

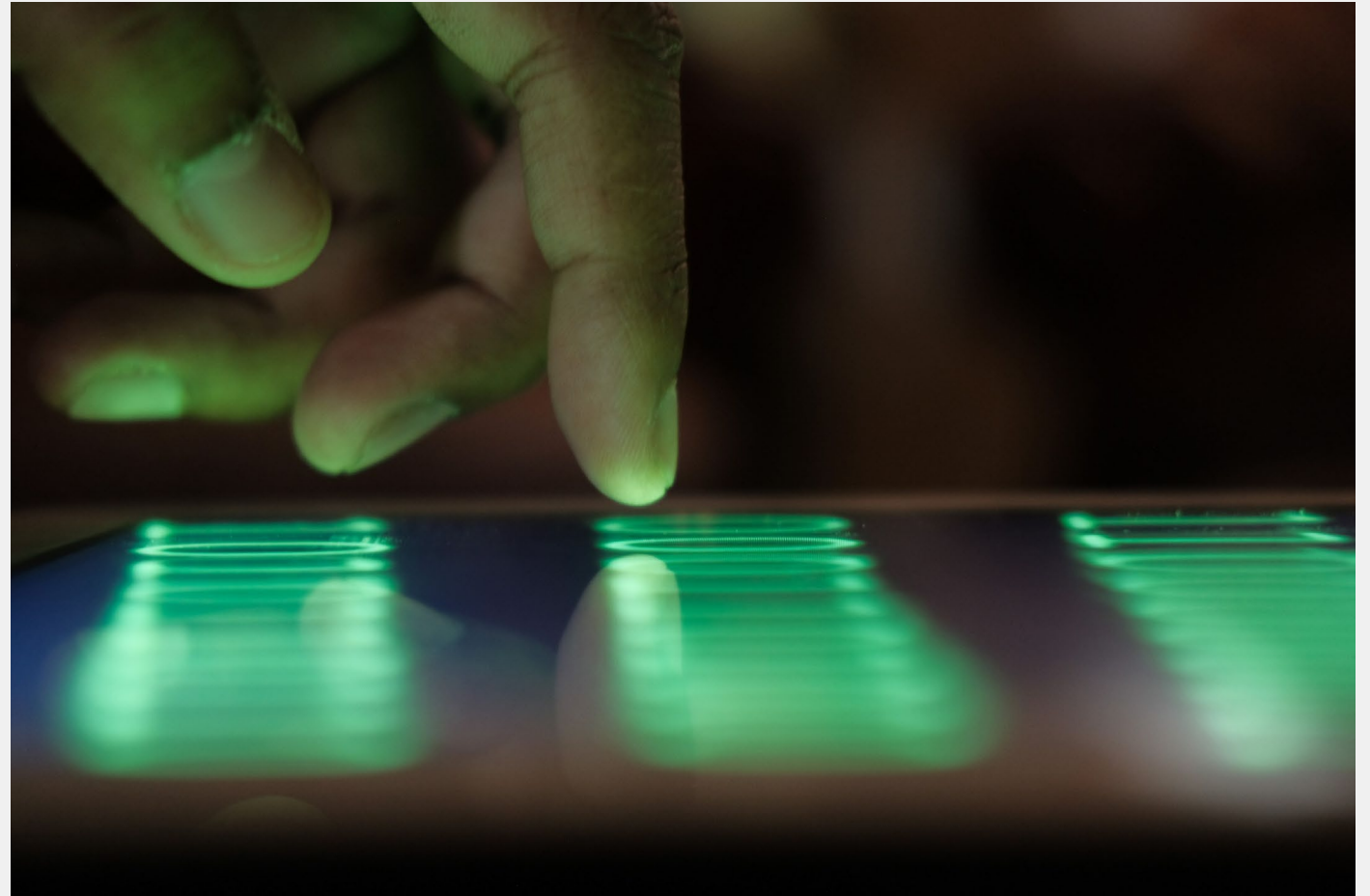
Taxpayer Experience Office/Team

Preventing Fraud

Tips and Best Practices

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.



Preventing Fraud

Fraud Guidance webpage: <https://tax.ri.gov/guidance/fraud-guidance>



STATE OF RHODE ISLAND

Division of Taxation

Department of Revenue

Fraud Protection

HOW-TO



Monitor your accounts

Monitor your financial statements, online accounts, and government correspondence for signs of fraud or identity theft.



Get an IP PIN

Get an identity protection PIN - learn how at <https://www.irs.gov/identity-theft-fraud-scams/get-an-identity-protection-pin>.



Strengthen your passwords

Use strong, unique, passwords for all online accounts. Do not reuse passwords.



Freeze your credit

Freeze your credit with all three bureaus; learn how at <https://www.usa.gov/credit-freeze>.



Use MFA verification

Enable multi-factor authentication on all of your online accounts.



Remain vigilant

Keep up these good habits. The danger of fraud does not lessen over time.









Preventing 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.
- ☑ Use multifactor authentication and 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](#).
- ☑ Visit [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](#).

Excise and Estate Tax

Legislative Changes - Summary

	Motor Fuel Tax Increase	Effective 07/01/25	ADV 2025-11
	Real Estate Conveyance Tax Increase	Effective 10/01/25	ADV 2025-13 , ADV 2026-01
	Parking Services Now Subject to Sales Tax	Effective 10/01/25	ADV 2025-14
	Expansion of the Definition of Other Tobacco Products (OTP) to Include Nicotine Products	Effective 10/01/25	ADV 2025-19
	Increase of Local Rate for Hotel Tax	Effective 01/01/26	ADV 2025-16
	Whole Home Short-term Rental Tax	Effective 01/01/26	ADV 2025-16 , Presentation , FAQs
	Tax on Kratom	Effective 04/01/26	2025 Summary of Legislative Changes
	Tax on Non-Owner Occupied Properties > \$1M	Effective 07/01/26	2025 Summary of Legislative Changes

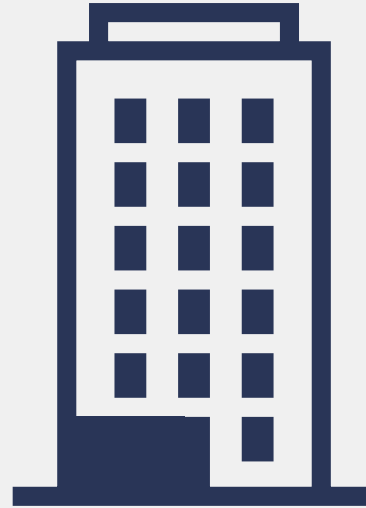
Excise and Estate Tax

Legislative Changes

Whole Home Short-term Rental Tax

- The whole home short-term rental tax will be **5%**
- Rentals subject to the tax are rentals of entire residential dwellings such as:
 - Houses
 - Condos
 - Mobile homes
 - Other residential dwellings
 - Includes vacation rentals and/or rentals offered through online hosting platforms
- This tax applies to:
 - Short-term rental of a residential dwelling in its entirety
 - Offered for rent for periods of 30 consecutive days or fewer
- In addition to the 2% local hotel tax and the 7% sales tax
- Effective January 1, 2026
- [ADV 2025-16](#)

Comparison



Entire Residential Dwelling

Type of tax	Tax rate before 1/1/26	Tax rate on & after 1/1/26
State sales tax:	7%	7%
State hotel tax:	-	-
Local hotel tax:	1%	2%
Whole Home Short-term Rental Tax	-	5%
Total:	8%	14%

Traditional Hotel Room

Type of tax	Tax rate before 1/1/26	Tax rate on & after 1/1/26
State sales tax:	7%	7%
State hotel tax:	5%	5%
Local hotel tax:	1%	2%
Whole Home Short-term Rental Tax	-	-
Total:	13%	14%

Room Rental

Type of tax	Tax rate before 1/1/26	Tax rate on & after 1/1/26
State sales tax:	7%	7%
State hotel tax:	5%	5%
Local hotel tax:	1%	2%
Whole Home Short-term Rental Tax	-	-
Total:	13%	14%

Excise and Estate Tax

Legislative Changes

Whole Home Short-term Rental Tax FAQs

- Q. If a rental is booked for the summer of 2026, but the customer booked it in 2025, is it subject the new tax rates for 2026?
- A. Yes. All stays in 2026 are subject to the 2026 rates. Any tax on the stay, including the difference of the 2026 tax rates from the 2025 rates, should be collected from the customer upon checkout and remitted as you would for any other stay during that time period.

Excise and Estate Tax

Legislative Changes

Non-Owner Occupied Property Tax

- Effective July 1, 2026.
- A new tax on real property with an assessed value over one million dollars (\$1M) if the property is not owner-occupied, as defined by law.
 - “Non-owner occupied” means that the residential property does not serve as the owner’s primary residence and is not occupied by the owner of the property for a majority of days during a given taxable year.
- Properties or buildings are exempted from the tax if they are rented for more than 183 days each year and:
 - Are subject to the Residential Landlord Tenant Act; or
 - Are subject to sales tax and/or hotel taxes.
- Assessed value is as of 12/31 as assessed by the town.

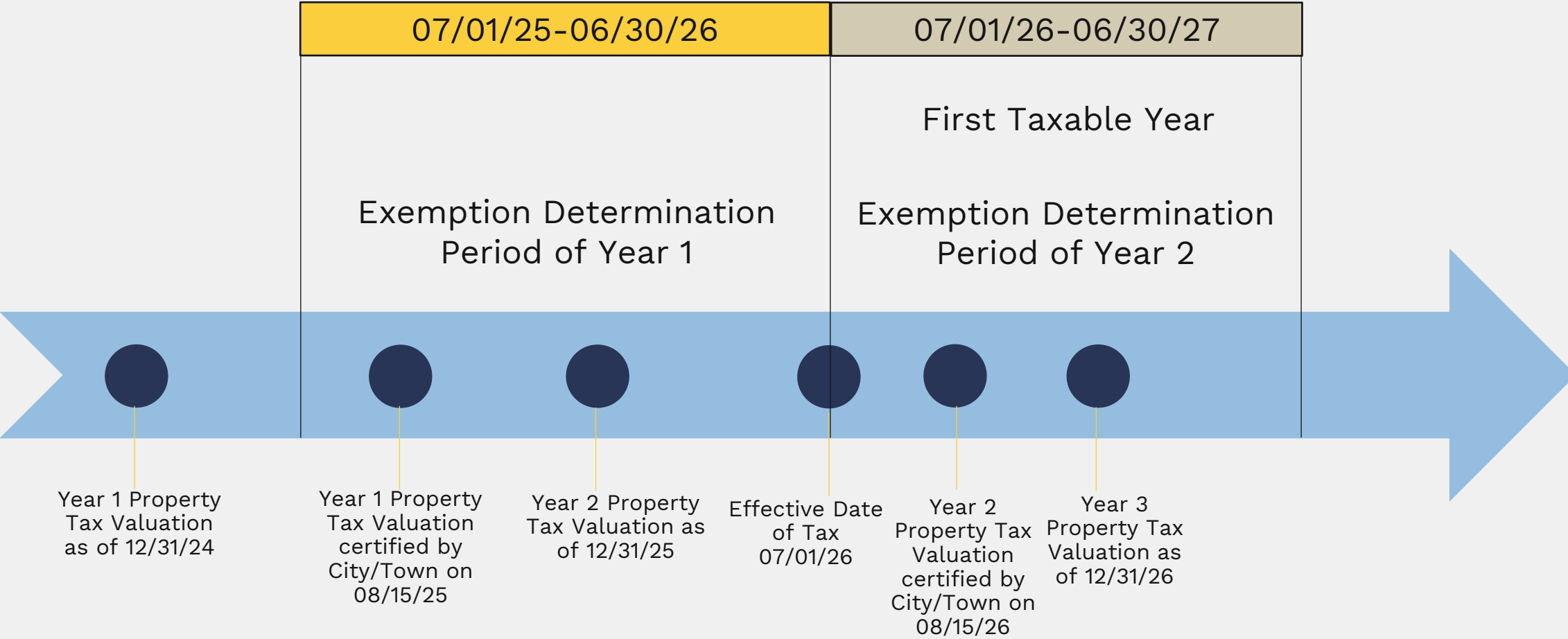
Excise and Estate Tax

Legislative Changes

Non-Owner Occupied Property Tax

- Tax will be \$2.50 per \$500 (or fractional part of \$500) of the assessed value over \$1,000,000. Tax will be paid in 4 equal installments paid throughout the tax year.
- **Calculation of Tax:**
 - The tax rate is \$2.50 per \$500 (or fractional part) of assessed value over \$1,000,000
 - Formula: $([\text{City/Town Assessed Value} - \$1,000,000] \div \$500) \times \$2.50 = \text{Annual Tax Due}$
 - For Quarterly Tax Due: $\text{Annual Tax Due} \div 4 = \text{Quarterly Tax Due}$
 - Installment due dates are 09/15, 12/15, 03/15, and 06/15

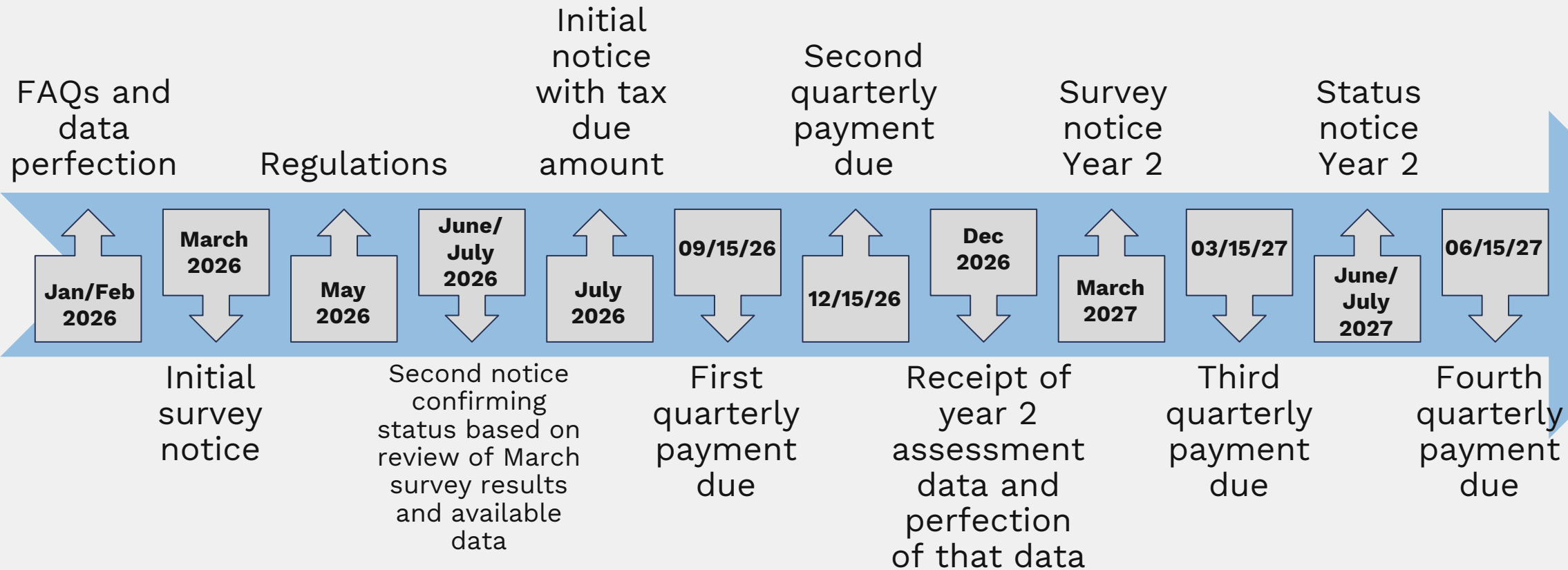
Non-owner Occupied Property Tax Timeline



Draft Approach – January 2026

Non-owner Occupied Property Tax Implementation

Timeline for Taxable Year July 1, 2026 – June 30, 2027



Draft Approach – January 2026

Excise and Estate Tax

Section Contact Information

Estate Tax

- Phone: 401-574-8829 Option #8
- Email: Tax.Estate@tax.ri.gov

Sales & Excise Tax

- Phone: 401-574-8955
- Email: Tax.Excise@tax.ri.gov

Carlita Annicelli

Chief of Personal and Corporate Income Tax Section

Personal and Corporate Income Tax

- Personal Exemptions \$5,100
- Standard Deduction
 - Single \$10,900
 - Joint/Qualifying Widow(er) \$21,800
 - HOH \$16,350
 - Married filing Separately \$10,900

- Exemption and Deduction Phaseout Amounts
 - \$254,250 – \$283,250

2025 Tax Year
Inflationary changes

- Social Security Amounts
 - Single \$107,000
 - Joint \$133,500
- Pension and Annuity
 - Single \$107,000
 - Joint \$133,500

- Property Tax Relief Credit \$700
 - Income Limitation \$40,730

Personal and Corporate Income Tax

TY 2025 Updated Filing Options

MeF

- RI-1040
- RI-1120C, RI-1120S, RI-1065 (with PTE & PTW Schedules)
- RI-1041 (with PTE & PTW Schedules)
 - (PTE for corp. only)
 - May issue a K1 to its beneficiaries, but it cannot receive a K1 that notes PTE credit.
- Return Payments
- Extensions

Portal

- Extensions
- Estimates

Estimates Available on Paper*

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

*Please note, if the taxpayer is an entity subject to RI's Electronic Filing Mandate, filing on paper may subject the taxpayer to penalties.

Personal and Corporate Income Tax

Legislative Changes – Tax Credits and Sunsets

Credit	Change	Affects
Jobs Growth Act Tax Credit	Eliminates any tax credits for tax years beginning on or after 1/1/2026.	42-64.11-7
Tax Increment Financing	The Rhode Island Commerce Corporation shall enter into no tax increment financing agreement after 12/31/2026.	42-64.21
Specialized Investment Tax Credit	Eliminates any tax credits for tax years beginning on or after 1/1/2026.	44-31-2
Elective Deduction for Research and Development Facilities	Eliminates any deductions for tax years beginning on or after 1/1/2026 with carry forward for deductions allowed for tax years ending on or before 12/31/2025.	44-32-1
Research and Development Property Tax Credit	Eliminates any tax credits for tax years beginning on or after 1/1/2026 with carry forward for credits allowed for tax years ending on or before 12/31/2025.	44-32-2
Employment Tax Credit	Eliminates any tax credits for tax years beginning on or after 1/1/2026.	44-39.1-5
Tax Incentives for Capital Investment in Small Businesses	Eliminates any tax credits, deductions, or modifications for tax years beginning on or after 1/1/2026.	44-43-2 44-43-3

Personal and Corporate Income Tax

Pension and Annuity Modification

- Modification cap TY 25 = \$50,000
- Inflation increase to current AGI limit
 - TY 25:
 - Single: \$107,000
 - Joint: \$133,500
- Modification is based on full retirement age of 66 years and 10 months
 - Born on or before March 1, 1959
- Does not include IRAs

Social Security Income Modification

- Tax Year 2025 = No modification cap
- AGI and income limits are the same as RI Pension and Annuity Modification

Retirement Income Modifications – Tax Year 2025

Military Pension Modification

- Tax Year 2025 = No modification cap

For more information regarding retirement income see the annual [Rhode Island Retirement Income Tax Guide](#)

Personal and Corporate Income Tax

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: **2024-2025=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 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.](#)

Personal and Corporate Income Tax

Earned Income Tax Credit Reminders

- NAICS Codes:
 - Schedule C must be submitted with a valid NAICS code
 - NAICS code should be 6 digits & match closely to a valid business activity code (per IRS)
 - Check that invalid NAICS codes are not carried over from prior years

Visit [census.gov](https://www.census.gov) for more information on NAICS Codes.

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065. Go to www.irs.gov/ScheduleC for instructions and the latest information.		2024 Attachment Sequence No. 09	
Name of proprietor			Social security number (SSN)		
A	Principal business or profession, including product or service (see instructions)		B Enter code from instructions		
C	Business name. If no separate business name, leave blank.		D Employer ID number (EIN) (see instr.)		
E	Business address (including suite or room no.)				

Personal and Corporate Income Tax

Non-resident Real Estate Withholding

- Referred to as “71.3 Withholding”
- R.I. Gen Laws § 44-30-71.3 requires withholding on the sale of real estate by non-residents
- [Non-resident Real Estate Withholding Instructions](#)
- Two methods
 - Net Proceeds Method
 - Gain Method
- Net Proceeds
 - Funds are withheld at the closing based on the net proceeds to the seller

Personal and Corporate Income Tax

Non-resident Real Estate Withholding

- Gain Method
 - [Regulation 280-RICR-20-10-1](#) requires the Election and Certificate Combination form be submitted 20 or more days before the date of the closing.
 - Please remember - most mail is received 3 to 5 days after it is mailed.
 - Avoid mail delays by using our email process:
 1. Email: Tax.NonRes713@tax.ri.gov.
 2. Always include the name of the seller and the property address in the email subject line.
 3. Remittances that require payment cannot be emailed.
 4. Complete forms entirely.

Personal and Corporate Income Tax

Non-resident Real Estate Withholding

- 71.3 withholding payment lines
 - RI-1040NR, Line 17c
 - RI-1041, Line 15c
 - RI-1065, Line 9c
 - RI-1120C, line 17a
 - RI-1040C, Line 14

Personal and Corporate Income Tax

Non-resident Real Estate Withholding

- Helpful Links

- Latest Advisory regarding electronic signature submission:
https://tax.ri.gov/sites/g/files/xkgbur541/files/2022-11/ADV_2022_32_electronic_signature.pdf
- Non-resident Real Estate Withholding forms:
<http://www.tax.ri.gov/taxforms/nrrewh.php>

Personal and Corporate Income Tax

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

Income Tax Forms Best Practices

Common Errors/Best Practices:

- Incorrect Federal identification numbers - ID numbers are used to verify withholding amounts and should be completed correctly.
- Use the correct code for the document on Sch W (“P” or “G”).
- Late employer filings could delay withholding verification.
- “Other payments” on RI-1040, line 14f and RI-1040NR, line 17e, generally will be used for extension payments only - do not include RI-TDI.

Personal and Corporate Income Tax

Income Tax Forms Best Practices

Common Errors/Best Practices:

- Do NOT include Non-resident Real Estate Withholding on Schedule W (should be included on RI-1040NR, Line 17c).
- Make sure the taxpayer's name is consistent year to year.
- Accurately complete non-resident allocation indicators and schedules.
- Include all schedules with Amended RI-1040, even if nothing has changed.

Personal and Corporate Income Tax

H.R. 1 (Public Laws No.: 119-21) Rhode Island Response

Tax Base Retention:

- Creates advisory working group to study impact.
- Maintains tax base as is until next legislative session and allows for emergency regulations.
 - [280-RICR-20-25-16 \[86axasebb.cc.rs6.net\]](#)
 - [280-RICR-20-55-16 \[86axasebb.cc.rs6.net\]](#)
- Report with policy options and estimated fiscal impacts submitted on 10/30/25.
- [H.R. 1 \(Public Laws No.: 119-21\) | RI Division of Taxation](#)

Personal and Corporate Income Tax

H.R. 1 (Public Laws No.: 119-21) Rhode Island Response

State of Rhode Island Division of Taxation
2025 RI Schedule HR1 Individual
 Addback of Federal P. L. 119-21, H.R.1 Provisions

Name _____ Social security number _____

The following P. L. 119-21, H.R.1, 119th Cong. (2025) items taken as deductions on your Federal return are to be added back in order to determine your Rhode Island Modified Federal AGI.

1a Business interest expense deduction included on Federal Form 1040, Schedule C, line 16; or RI Schedule K-1, Section II, line 5 [I.R.S. Code 163(j)] (See instructions).....	1a		
b Section 174A Amortization Adjustment for research and development expensing from RI Schedule K-1, Section II, line 6 [I.R.S. Code 174A].....	1b		
c Depreciation of business assets [I.R.S. Code 179(b)].....	1c		
d Qualified sound recording production deduction from RI Schedule K-1, Section II, line 7 [I.R.S. Code 181].....	1d		
e Reserved for future use.....	1e		
f Total amount of P. L. 119-21, H.R.1 deductions. Add lines 1a - 1e. Enter here and on RI Sch. M, line 2k.....	1f		

State of Rhode Island Division of Taxation
2025 RI Schedule HR1 Individual
 Addback of Federal P. L. 119-21, H.R.1 Provisions

Name _____ Social security number _____

The following P. L. 119-21, H.R.1, 119th Cong. (2025) items taken as deductions on your Federal return are to be added back in order to determine your Rhode Island Modified Federal AGI.

1a Business interest expense deduction included on Federal Form 1040, Schedule C, line 16; or RI Schedule K-1, Section II, line 5 [I.R.S. Code 163(j)] (See instructions).....	1a		
b Section 174A Amortization Adjustment for research and development expensing from RI Schedule K-1, Section II, line 6 [I.R.S. Code 174A].....	1b		
c Depreciation of business assets [I.R.S. Code 179(b)].....	1c		
d Qualified sound recording production deduction from RI Schedule K-1, Section II, line 7 [I.R.S. Code 181].....	1d		
e Reserved for future use.....	1e		
f Total amount of P. L. 119-21, H.R.1 deductions. Add lines 1a - 1e. Enter here and on RI Sch. M, line 2k.....	1f		

State of Rhode Island Division of Taxation
2025 RI Schedule HR1 Entity
 Addback of Federal P. L. 119-21, H.R.1 Provisions

Name _____ Federal employer identification number _____

The following P. L. 119-21, H.R.1, 119th Cong. (2025) items taken as deductions on your Federal return are to be added back in order to determine your Rhode Island Modified Federal AGI.

1a Business interest expense deduction included on Federal Form 1065, line 15; Federal Form 1120, line 15; or Federal Form 1120-S, line 13 [I.R.S. Code 163(j)].....	1a		
b Section 174A Amortization Adjustment for research and development expensing [I.R.S. Code 174A].....	1b		
c Depreciation of business assets [I.R.S. Code 179(b)].....	1c		
d Qualified sound recording production deduction [I.R.S. Code 181].....	1d		
e Reserved for future use.....	1e		
f Total amount of P. L. 119-21, H.R.1 deductions. Add lines 1a - 1e. Enter here and on Form RI-5041, Sch. M, line 2k; Form RI-1005, Sch. C, line 1f; Form RI 1120C, Sch. C, line 1c; or Form RI-1120S, Sch. C, line 1f.....	1f		

[HR-1 Individual](#)

[HR-1 Entity](#)

Personal and Corporate Income Tax

H.R. 1 (Public Laws No.: 119-21) Rhode Island Response

Tip and Overtime Income Exemptions

- Below the line deductions on federal return
- No RI impact (since below the line deduction)

Research and Experimental Expenses (Section 174A)

- [ADV 2025-18](#)
- Decoupling from accelerated expensing
- Max 20% per year

Filing guidance for individuals and entities

- [ADV 2025-20](#)

Dedicated webpage

- <https://tax.ri.gov/guidance/hr-1-public-laws-no-119-21>

Personal and Corporate Income Tax

H.R. 1 (Public Laws No.: 119-21) Rhode Island Response

[Form 174A](#)

State of Rhode Island Division of Taxation
RI Schedule 174A
Section 174A Amortization Worksheet

Name _____ Tax Year _____ Federal employer identification number _____

Did you make an election to amortize Section 174A research and experimental expenditures for this tax year? Yes No

If "YES", do not complete this schedule.
If "NO", complete this schedule and attach to your tax return.

Amortization Schedule

(a) Description of Costs	(b) Date Amortization Begins	(c) Amortizable Amount	(d) Code Section	(e) Period / %	(f) Amortization for the Year
1 Amortization of costs that begins during tax year _____					
2 Total amount of amortization. Add the amounts from line 1, column f					

Recalculation of Research and Experimental Expenditures (Section 174A) Amortization

Instructions:
Enter the amount of "research and experimental expenditures" Amortization claimed on Federal Form 4562, Part VI, line 42 and identified in column d as Section 174 on returns filed prior to July 4, 2025; and Section 174A for returns filed after July 4, 2025.

	Amortization # of years / %	Amortizable Amount	Tax Year 2022	Tax Year 2023	Tax Year 2024
TY22 - Original					
TY22 - Amended					
TY23 - Original					
TY23 - Amended					
TY24 - Original					
TY24 - Amended					
Adjustment					

Now 08/2025

State of Rhode Island Division of Taxation
RI Schedule 174A
Section 174A Amortization Worksheet

Name _____ Tax Year **2025** Federal employer identification number _____

Did you make an election to amortize Section 174A research and experimental expenditures for this tax year? Yes No

If "YES", do not complete this schedule.
If "NO", complete this schedule and attach to your tax return.

Part 1: Amortization Schedule

1 Amount of Section 174A research and experimental expenditures claimed on this tax year's Federal return 1

(a) Description of Costs	(b) Date Amortization Begins	(c) Amortizable Amount	(d) Code Section	(e) Period / %	(f) Amortization for the Year
2 Amortization of costs that begins during tax year 2025					
3 Total amount of amortization. Add the amounts from line 2, column f					3

4 Amount to be added back on this year's Rhode Island return. Subtract line 3 from line 1. Enter here and on line 1b of 2025 RI Schedule HR1 - Entity

Part 2 - Rhode Island Amortization Deduction Amount

For each year in which you began amortizing Section 174A research and experimental expenditures, enter the amount of Section 174A research and experimental expenditures to be deducted for Rhode Island purposes.

Amortization Begin Year	Amortization %	Amortizable Amount	Annual Rhode Island Amount
2022 *			
2023 *			
2024 *			
2025			

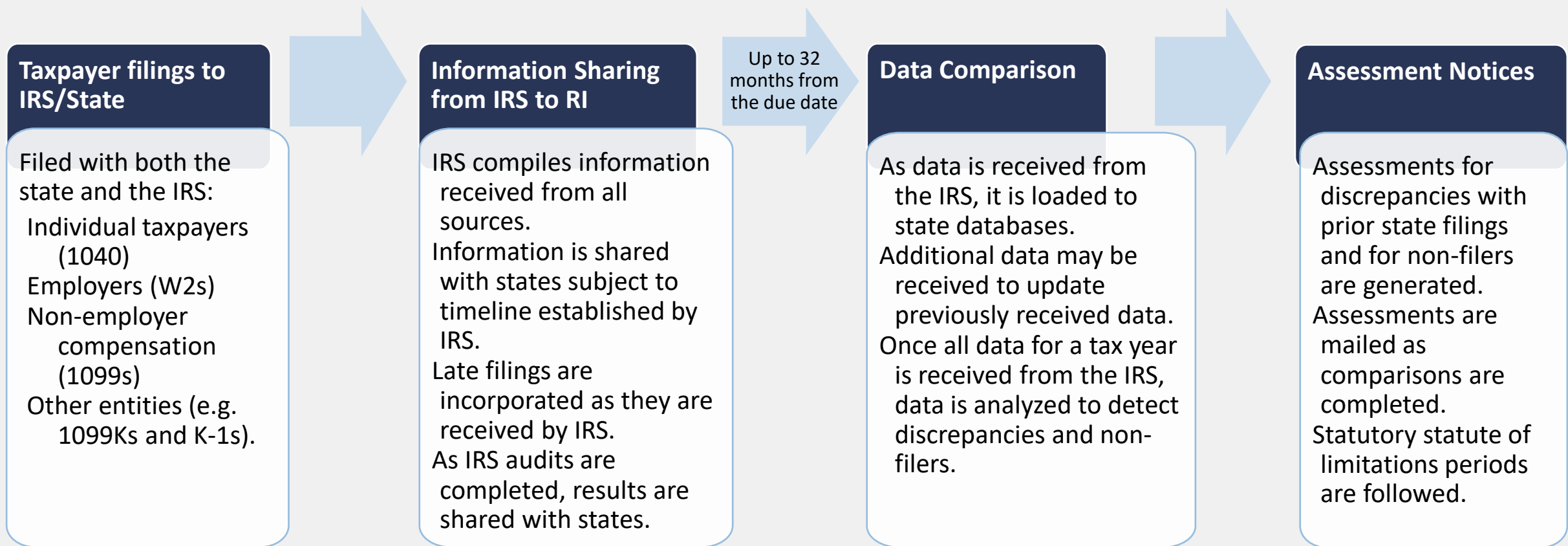
5 Rhode Island Amortization Deduction Amount. Add the Annual Rhode Island Amounts for all years. Enter here and on RI-1065, Sch. B, line 1e; RI-1120C, Sch. B, line 1g; RI-1120S, Sch. B, line 1e or T-74, Sch. B, line 5....

* These tax years only apply to those entities who are eligible small business taxpayers with annual gross revenues of \$31 million or less. [H.R. 1 P.L. 119-21 § 70302(f)]

Now 08/2025

Personal and Corporate Income Tax

For IRS compliance audits, the Division receives and reviews information as available from the IRS as follows:



Personal and Corporate Income Tax

Withholding

How do I file 1099s?

- If you are an individual submitting 1099s for your business:
 - You can upload your 1099 file in your Withholding account in the Taxpayer Portal.
- If you are an accounting firm submitting 1099s for your client(s):
 - You can upload your 1099 file in the Taxpayer Portal.
- If you are a payroll company or third-party vendor registered as a bulk filer:
 - You can upload bulk files containing your clients 1099 information via the Taxpayer Portal.
 - *To register as a bulk filer, complete and submit the Payroll Letter of Intent found on the [Software Developers page](#).*
- NOTES:
 - Regardless of the filer type, the 1099 file must be in the IRIS or [FIRE format](#). See the [Withholding Filing Requirements Guide](#) for information.
 - 1099s should be filed with the Division of Taxation if there is **Rhode Island income** listed on the 1099.
 - R.I. Gen Laws § 44-30-58 provides requirement for informational returns

Personal and Corporate Income Tax

Section Contact Information

Personal Income Tax

- Phone: 401-574-8829 Option #3
- Email: Tax.Assist@tax.ri.gov

Non-resident Real Estate Withholding

- Phone: 401-574-8829 Option#4
- Email: Tax.NonRes713@tax.ri.gov

Corporate Income Tax

- Phone: 401-574-8829 Option #6
- Email: Tax.Corporate@tax.ri.gov

Neil Caouette
Assistant Chief Revenue Agent
Compliance and Collections,
Registration, and Taxpayer Experience
Section

Compliance and Collections

Legislative Changes

Letters of Good Standing for Major Sale/Transfer Timeline Clarification

A Letter of Good Standing (LOGS) is required prior to a sale or transfer of a major asset, or the business as a whole; without a LOGS, such sale/transfer is fraudulent and void as to the state.

Verifies that an entity is in good standing with the Division:

- The entity is up-to-date with all filings and payments required for state tax compliance.
- Taxpayer is compliant with other related requirements for operating the business.

Effective July 1, 2025:

- A request for a LOGS must be **received** by the Division of Taxation at least 5 business days before the sale or transfer of asset.

Compliance and Collections

Letters of Good Standing (LOGS)

- Entity must be compliant for all required tax returns, payments, and fees for all requests for Letters of Good Standing.
- Major Sale LOGS Requirements:
 - LOGS request must be **received** by the Division 5 days prior to the sale.
 - File request for LOGS with payment at least two weeks before the date of sale. You will need:
 - An application for LOGS (§ 44-11-29).
 - Proforma RI Tax Return with payment through date of sale. Must reflect the sale.
 - Copy of Proforma Federal tax return (Form 4797/Sch. D).
 - Schedule PTW or PTE needed if there is a gain with non-resident members.
 - Purchase and Sales Agreement.
 - All other taxes must be filed and all balances paid.

Compliance and Collections

Letters of Good Standing (LOGS)

- Calendar Year 2025 Benchmarks:
 - Assigned to a Revenue Officer for review within 24 hours of receipt.
 - If Taxpayer is compliant, Letter of Good Standing issued within 3 business days.
 - If Taxpayer is non-compliant, Letter of Good Standing will be issued once the taxpayer provides all necessary returns, payments, and/or documentation to become compliant.
- Calendar Year 2025 Year to Date Stats:
 - Received 7,108 applications for the Calendar Year 2025
 - 26.73% able to be issued without additional information
 - Mailed approximately 5,208 Additional Information letters to contacts
 - 32% did not respond to these Additional Information letters

Compliance and Collections

Letters of Good Standing (LOGS)

	2020	2021	2022	2023	2024	2025
Letters of Good Standing Requests Received	5428	6659	7796	7848	6,998	7,108
Additional Information Letters Sent	4146	5192	6019	5872	5,115	5,208
Letters of Good Standing Issued	4029	4188	4678	4803	4,318	4,418
LOGS Closed w/ No Response From Taxpayer	1924	1793	2580	2453	2025	2,294
Average # of Calendar Days to Issuance-Non-Compliant	36	34	37	35	31	31
Average # of Calendar Days to Issuance-Compliant	3	3.93	3.64	3.44	3.34	2.56
Growth in LOGS Applications Received	-22%	23%	17%	1%	-11.4%	1.5%
Percentage of Cases Closed With No Response	35%	27%	33%	31%	34%	32%

Compliance and Collections

Letters of Good Standing (LOGS) Best Practices

Requests can be made via drop box, mail, or Portal



Compliance and Collections

Letters of Good Standing (LOGS) Best Practices

Complete Compliance Check through Portal

- Will show missing filings/payments
- Include any delinquent filings and payments with LOGS application



Compliance and Collections

Letters of Good Standing (LOGS) Best Practices

Verify the document requirements from the LOGS application



Compliance and Collections

Letters of Good Standing (LOGS) Best Practices

Be sure to include the \$50 fee



Please NO cash in the drop box. Cash payments can be made at the cashier's window in our office. You can pay securely online via bank account or credit card (credit card payments are subject to payment processing fees). You can also pay by check.

Compliance and Collections

Installment Agreements: What You Need to Know

Requirements:

- Complete Installment Agreement Request: [Form RI-9465](#)
- Full compliance with all filing requirements

Option 1

High likelihood for approval:

- You have a total balance greater than \$1,000
- Remit 50% Down
- Remaining balance must be paid in 12 installments or less

Result

Option 2

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

Result

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

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](#); and
- Complete [Form 433A](#) or [Form 433B](#); and
- Full compliance with all filing requirements.

Documentation Needed:

- Financial Statements and verification of reason for request may be required.

Compliance and Collections

Levy Program

- Liability must be in Collections
- Notifications
 - Numerous bills have already been sent to the taxpayer
 - Taxpayer is mailed a 10 Day Demand for Taxes Due
 - If there is no resolution, the taxpayer is mailed a Notice of Intention To Levy (30-day reply)
- Resolutions
 - Taxpayer must be in compliance with all filings
 - Prior to a levy, the taxpayer may satisfy their debt, enter into an installment agreement or voluntary wage garnishment
 - If a levy has already occurred, Taxation may consider a levy reduction based on various circumstances

Compliance and Collections

Financial Institutions Data Match System

- R.I. Gen Laws § 44-53-18 authorizes the creation of a system to match taxpayer debts to financial institutions.
- Authorizes the use of a third-party to develop this system.
- This would be an additional resource available to the levy program.
- Taxpayer will still receive required Intent to Levy notices.

Compliance and Collections

Billing and Collection Timelines

Notice of Deficiency or Notice of Proposed Assessment: 30 Days to Cure

Initial Assessment

Notice of Deficiency:
Results from changes to
line items on tax returns,
resulting in tax owed.

The taxpayer is notified in
writing of change and has
30 days to respond.

Failure to respond or cure
the liability results in a
final assessment.

Compliance and Collections

Billing and Collection Timelines

Notice of Assessment (Final Assessment): 30 Days to Cure, Right to Hearing

Formal (Final) Assessment

Sent when there is an underpayment of a tax for a period. This notice may be sent in addition to the Notice of Deficiency.

The taxpayer is notified in writing and has a right to a hearing (informal, then formal Administrative Hearing).

Failure to respond results in taxpayer foregoing right to a hearing and proceeds to Collections Section within the Division of Taxation.

Compliance and Collections

Billing and Collection Timelines

Statement of Account: Minimum of Once a per Year, for All Accounts/Periods, but a Minimum of 3 Times if Change to any Account: In Collection Status

Collections

Sent when there is an assessment in the taxpayer's period, but 30-day protest period has expired.

This notice classifies the assessment as a "Collections" matter and is subject to offset from a refund.

This notice is sent 3 times at an interval of 30 days, then at least annually thereafter.

Every taxpayer is sent at least 4 notices if a liability is in collections status and is notified at least once per year thereafter of all tax liabilities.

Taxpayer Portal

Same-Day Services

In Summary – Authentication Requirements

- Business Estimated Payment
 - Notice ID#
- Personal Estimated Payment
 - Prior Federal AGI
- Business Extension Filing **and** Payments
 - Notice ID#
- Personal Extension Filing **and** Payments
 - Prior Federal AGI
- Bill Payments
 - Invoice Number
- File a Form
 - Prior payment amount for the tax type

Member Sign In

Maximum of 3 sign-in Attempts are allowed. After 3 failed sign-in attempts, the account will be locked. Please use the Forgot UserID and/or Forgot Password links or wait 15 minutes to retry.

User ID

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 \(alone or with payment\)](#)

Compliance and Collections

Section Contact Information

Compliance and Collections Section

- Phone: 401-574-8941
- Email: Tax.Collections@tax.ri.gov

Taxpayer Portal Section

- Phone: 401-574-8484
- Email: Tax.Portal@tax.ri.gov

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