



Rhode Island Department of Revenue Division of Taxation

RI Black Business Association
Tax Updates and Best Practices
March 5, 2026

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Taxpayer Experience Liaison
Rhode Island Division of Taxation

Agenda

- About Us: Division of Taxation
- Legislative Updates from 2025
- Setting up a Business for Success
- Closing remarks

About Us

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

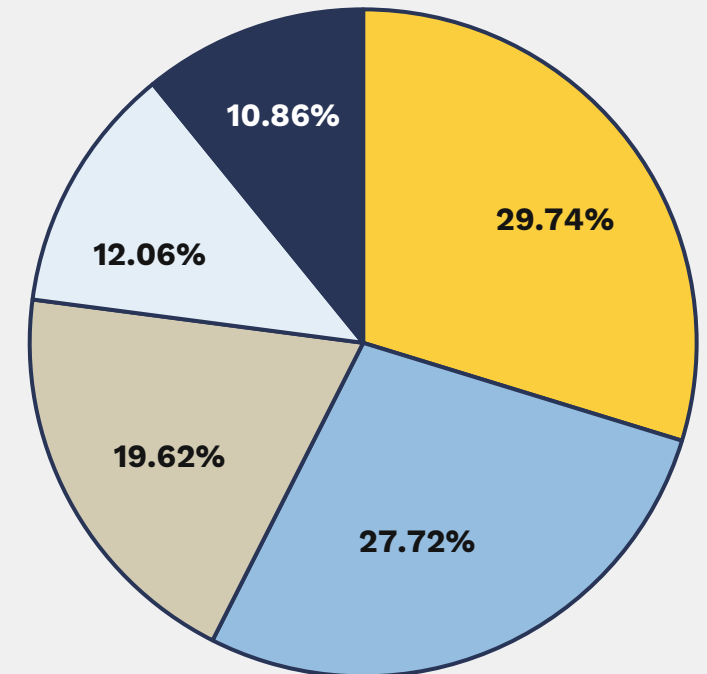
- The Rhode Island Division of Taxation employs **228 tax professionals**, administering more than **62 different taxes and fees**.
- Taxes represent **the most significant source of General Fund revenue** for Rhode Island – funds used to help pay for vital services including public safety, education, 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.

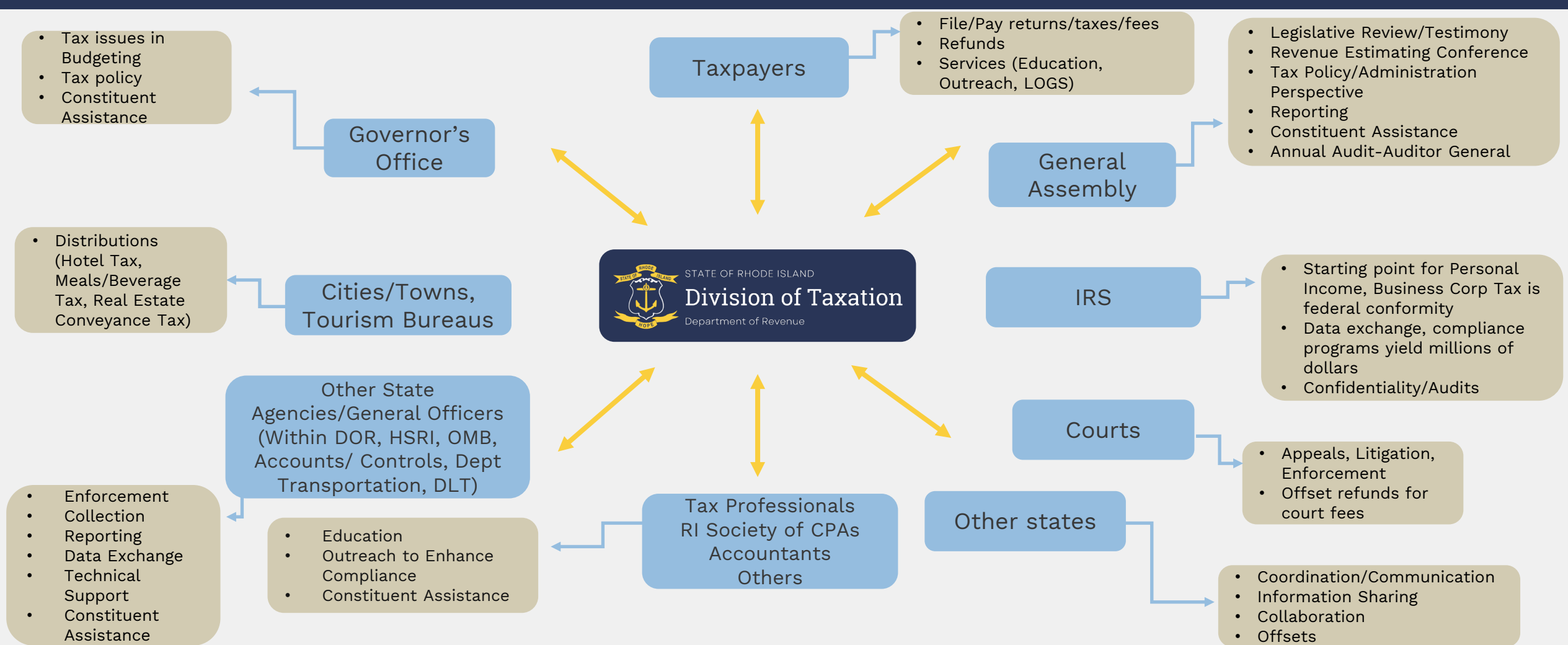
Total State Tax Revenue Collected by the Division of Taxation for Fiscal Year 2025 (\$, In Millions)

FY25 Receipts: \$5.45B

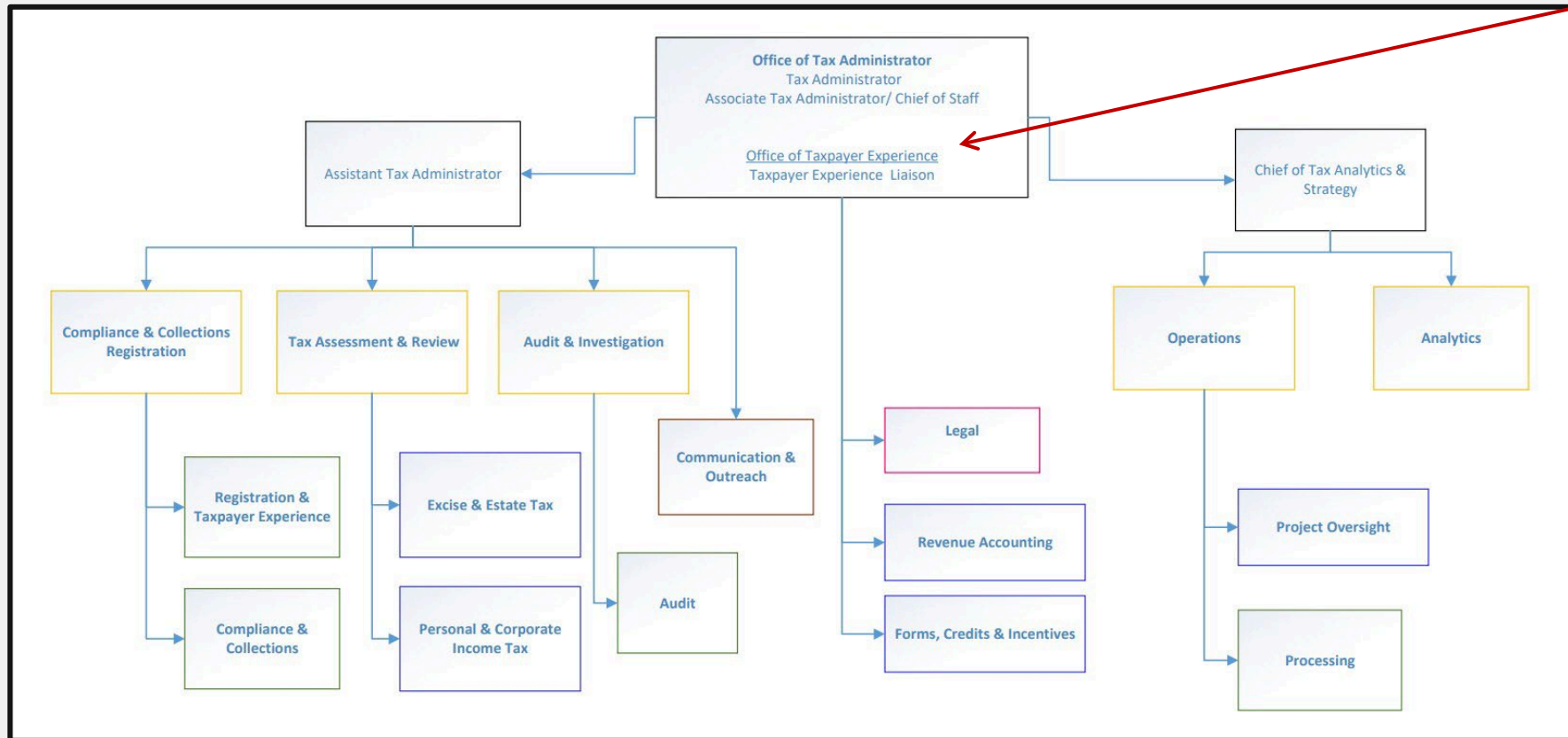


■ Withholding ■ Sales ■ Corp ■ PIT ■ Estate, M&B, Hotel & Other

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

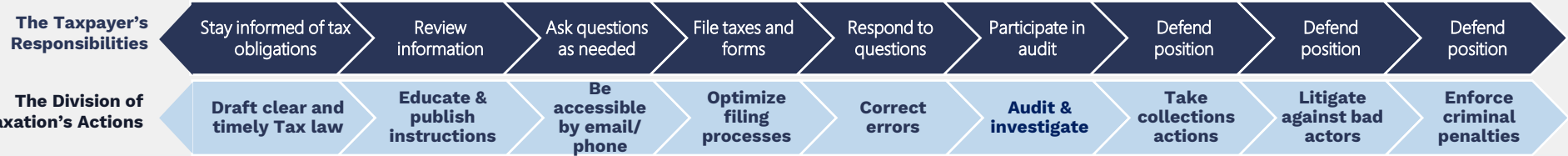
The Tax Administration Efficiency Continuum

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

Taxpayer Experience Office/Team

How are we improving taxpayer services, voluntary compliance?

Legislative Changes

Excise Tax

	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

Legislative Changes

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

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 Tax Portal.
- If you are an accounting firm submitting 1099s for your client(s):
 - You can upload your 1099 file in the Tax 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 Tax 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

Setting Up a Business for Success

- Stay Informed and Ask Questions
 - [Contact Us | RI Division of Taxation](#)
- Visit Website for Resources
- Register for the Tax Portal
- Know due dates
- Common mistakes
 - Retail Sales Permit & Sales Tax requirements
 - Trust funds

The screenshot shows the home page of the Rhode Island Division of Taxation website. At the top, there is a header with the state seal and the text "STATE OF RHODE ISLAND Division of Taxation Department of Revenue". Below the header is a navigation bar with a "Home" link. The main content area is divided into several sections:

- Member Sign In:** A section with a warning box stating "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." Below this are input fields for "User ID" and "Password", a "SIGN IN" button, and links for "Forgot User ID?" and "Forgot password?".
- Customer Support:** A text block 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 is a link for "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." and a note that "The File a Form link is located on the bottom left of this page."
- NEW:** A section announcing that the "Where's My Refund" feature has been updated to provide more timely information to taxpayers and is now available: [Where's My Refund](#).
- Changes:** A text block stating "There are changes to filing meals and beverage tax returns on the Portal. For more information and instructions, please visit [Meals and Beverage Tax](#)".
- Scheduled Maintenance:** A text block stating "Scheduled maintenance will be done Friday, August 8th from 9:00pm to Sunday, August 10th at 8:00am. During this time the system will be unavailable. Please plan accordingly."
- Popular Services:** A sidebar with a list of links: [Tax Forms](#), [Administrative Decisions](#), [Advisories](#), [Business Registration](#), [Reports](#), [Regulations](#), [Newsletters](#), [Contact Us](#), [Liquor License Renewals – Certificates of Good Standing](#), [Where's My Refund - NEW](#), and [Individual Mandate Reporting - NEW](#).
- Frequently Asked Questions:** A sidebar with a list of links: [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.

At the bottom of the page, there is a large image of the Rhode Island State Capitol building.

Setting Up a Business for Success

Resources

- [Taxpayer Experience Office | RI Division of Taxation](#)
 - Resources Available
 - Industry Guides
 - Taxpayer Profiles
 - Previous Presentations
 - Taxpayer Rights and Responsibilities

Outreach and Useful Materials

- Industry guides:
 - [Contractors & Rhode Island Tax - A Guide for Businesses](#)
 - [The Restaurant Industry & Rhode Island Tax - A Guide for Businesses](#)
 - [Other Tobacco Products \(OTP\) & Rhode Island Tax Guide for Businesses](#)
- Compliant Taxpayer Profiles:
 - [Profiles](#)

Calendar Events/Upcoming Events

+ This Month's Calendar Events

+ Upcoming Calendar Events

+ Past Calendar Events - 2026

+ Past Calendar Events - 2025

+ Past Calendar Events - 2024

+ Past Calendar Events - 2023

+ Past Calendar Events - 2022

Setting Up a Business for Success

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, E or F 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 RI Department of State
- Personal liability
- No dissolution to close business
- No separate filing requirement or annual charge

Setting Up a Business for Success

Resources

Want more tax info?

Watch our joint presentation with the RI Department of State,
Business Services Division “LLC Fundamentals for the Solopreneur”



YouTube Video at the QR code above or at:

<https://www.youtube.com/watch?v=eFl7bHaYnsc&t=3284s>



STATE OF RHODE ISLAND

Division of Taxation

Department of Revenue

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.



- Retailer
- Restaurant
- Employer
- Manufacturer
- Online Retailer
- Artist
- Contractor

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 [Tax Portal](#) & files and pays electronically
- Annual [Retail 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 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

NEED HELP?



TaxPayer.Experience@tax.ri.gov



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



401-574-8983

Setting Up a Business for Success

What records should a taxpayer maintain?

- Federal & State Income Tax returns
- Copies of all state tax returns filed and backup detail
- Sales Records and credit card receipts including
 - Any exemption certificates
 - Daily sales receipts/reports
 - Merchant statements and 1099K forms
 - Delivery slips
- Purchase invoices and ledger listings
- Asset schedules and invoices
- Bank statements, General Ledger and chart of accounts
- Other records as needed



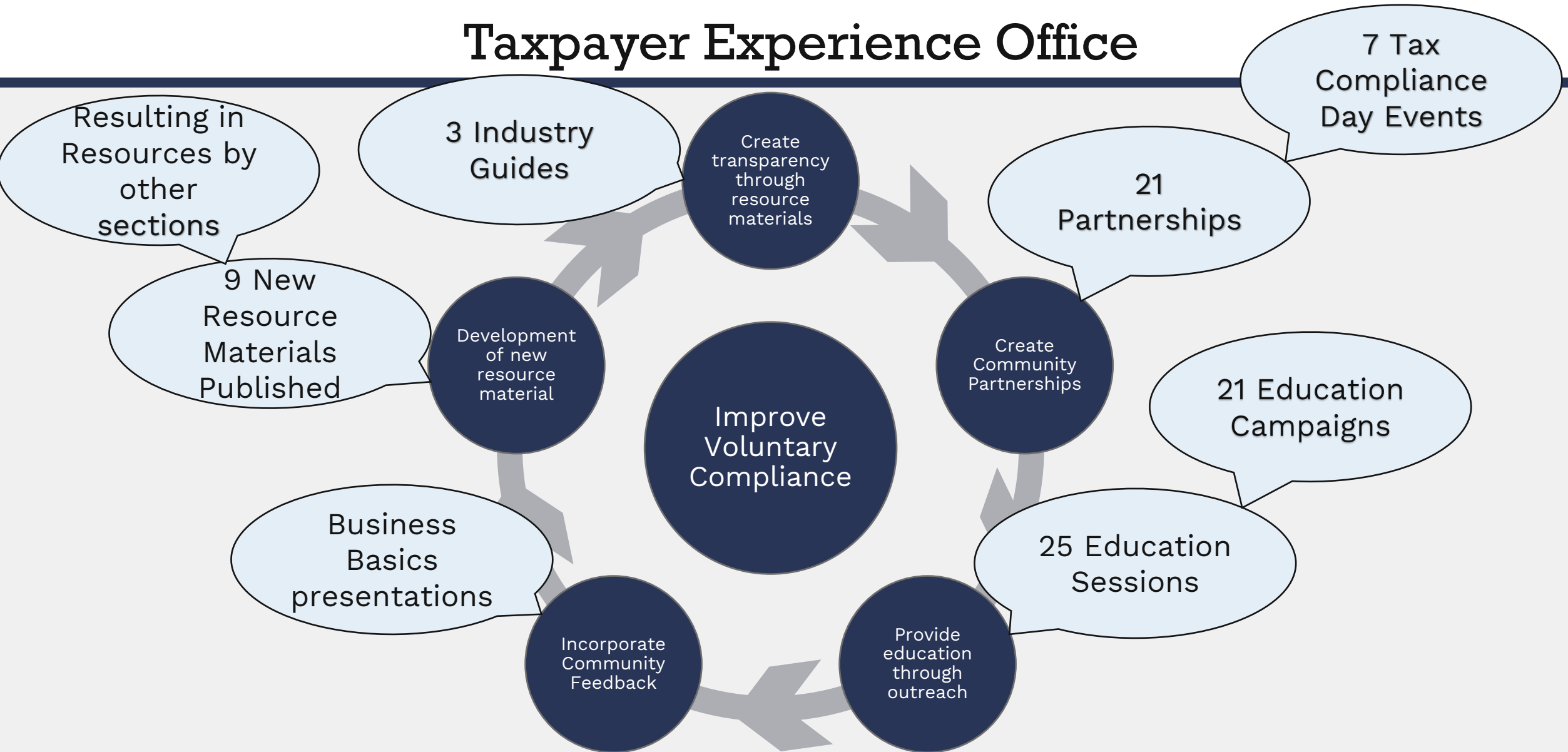
STATE OF RHODE ISLAND
Division of Taxation
Department of Revenue



Understanding the Rhode
Island Division of Taxation's
Recordkeeping Requirements

Record Keeping
Requirements
[Pamphlet](#)

Taxpayer Experience Office



Setting Up a Business for Success: Tax Portal

Step 1: Visit www.taxportal.ri.gov and create a User ID and password.

The screenshot shows the homepage of the Rhode Island Tax Portal. At the top left is the logo for the State of Rhode Island, Division of Taxation, Department of Revenue. Below the logo is a navigation bar with the word "Home". 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?".
- New User?:** A link to "Create a New User".
- Don't Have a Portal User Account?:** A section with the text "Use our Same-Day Services" and links for "Make a Payment (same day withdrawal)", "File a Form (alone or with payment)", and "The File a Form link is located on the bottom left of this page." (Note: this text is also present in a separate yellow box above the image).
- Customer Support:** A yellow box containing the text: "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." and "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."
- 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".
- 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?".
- Image:** A photograph of the Rhode Island State Capitol building.

Contact info to request a pin or any other questions:

- taxportal@tax.ri.gov
- 401-574-8484

Setting Up a Business for Success

Sales Tax Responsibilities

- Register:
 - [Business Application and Registration \(“BAR Form”\)](#)
- If you are making sales at retail you need a Retail Sales Permit. One will be issued after you submit your BAR Form.
- Sales tax returns are generally due monthly.
 - File Form STR
 - Businesses with sales tax collections of less than \$200 per month on average may apply to file quarterly.
- Current sales tax rate is 7%.
- Some businesses fall under the Electronic Filing Mandate.
 - [Electronic Filing Mandate | RI Division of Taxation](#)

Setting Up a Business for Success

Sales Tax Responsibilities

- When is a Retail Sales Permit required?
 - Every business making sales at retail or renting living quarters
 - It must be renewed annually
 - You must maintain a valid Retail Sales Permit, even if you are selling items that are exempt from sales tax
 - Retail sale
 - Sale, lease or rental of tangible personal property
 - “Tangible personal property” means personal property which may be seen, weighed, measured, felt, or touched, or which is in any other manner perceptible to the senses
 - Prewritten computer software
 - Specified digital products
 - Taxable services
 - A tax exemption does not remove Retail Sales Permit requirement.
 - Renewal details:
 - Due annually by 02/01
 - No fee to renew

Setting Up a Business for Success

- What is taxable?
 - All Tangible Personal Property and certain enumerated services
 - [§ 44-18-7.3. Services defined](#)
 - Taxicab and limousine services
 - Other road transportation services
 - Pet care services
 - Room resellers
 - Investigation, Guard, and Armored Car Services
- A better question: “What is not taxable?”
 - [§ 44-18-30. Gross receipts exempt from sales and use taxes](#)

Setting Up a Business for Success

Resources

Tax Name	Filing Frequency
Sales Tax	Monthly } Quarterly } Frequency of payments depends on average monthly liability
Meals and Beverage Tax	Monthly
Hotel Tax	Monthly
Withholding Tax Payments	Weekly } Monthly } Quarterly } Frequency of payments depends on average monthly liability
Withholding Tax Return filing (Form RI-941)	Quarterly

Setting Up a Business for Success

Corporation

Federal

- Files Form 1120 subject to corporate income tax rates
- No filing for the members
- Can make separate S-corporation election on [Federal Form 2553](#)
 - Same tax treatment as partnership

State

- Follows federal election
- Files RI-1120 subject to corporate 7% tax rate
- No filing for the shareholders
- If S-corporation election is made federally
 - Same tax treatment as partnership
- Subject to combined reporting requirements

Setting Up a Business for Success

Partnership

Federal

- Files Federal 1065 including K-1(s) to report income/loss
- Income tax paid by partners on tax return
 - Corporation partners would pay on Form 1120
 - Individual partners would pay on Schedule E of Form 1040
 - A partnership or an LLC partner would flow through activity to their partner/member(s)

State

- Required to file RI-1065 to report income/loss and pay annual charge of \$400. No charge for general partnership.
- Income tax paid by partners on their income tax return
 - Corporation partners would pay on RI-1120C
 - Individual partners would pay on RI-1040 based on Federal AGI of Form 1040
 - Partnership or LLC partners would flow through activity to their partner/member(s)

Setting Up a Business for Success

Limited Liability Company

Federal

- No entity filing requirement
- Income tax paid by member(s) on tax return
 - Corporation member(s) would pay on Form 1120
 - Individual member(s) would pay on Schedule C of 1040
 - A partnership or another LLC member(s) would flow through activity to their member(s)

State

- Required to file RI-1065 to report income/loss and pay annual charge of \$400
- Income tax paid by member(s) on their income tax return
 - Corporation member(s) would pay on RI-1120C
 - Individual member(s) would pay on RI-1040 flow from Federal AGI of Form 1040
 - A partnership or another LLC member(s) would flow through activity to their member(s)


Setting Up a Business for Success

What are Trust Fund Taxes?

- Trust Fund Taxes are taxes that are collected by one taxpayer from another taxpayer and are held in trust for the state.
 - Sales Tax, Hotel Tax, Meals and Beverage Tax, Withholding Tax are examples
- The statutes that enforce these taxes require the collecting taxpayer to remit those taxes to the state at a definite date.
 - [R.I. Gen Laws § 44-19-35](#)
 - [R.I. Gen Laws § 44-30-76](#)
- Additional details can be found in an article from our latest [quarterly newsletter](#).

More Tax Resources

- Sign up for our emails
 - Tax news delivered to your inbox
 - Quarterly newsletters
 - Important updates
- Follow us on social media
 - Follow us on **X** [@RhodeIslandTax](https://twitter.com/RhodeIslandTax)
 - Follow us on **Bluesky** [@rhodeislandtax.bsky.social](https://bsky.app/profile/@rhodeislandtax.bsky.social)



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Division of Taxation
Department of Revenue

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Questions



Thank you



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Division of Taxation

Department of Revenue

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