State of Rhode Island Division of Taxation

RI Schedule K-1 - 2026

Taxpayer's Share of Income, Deductions, Credits, Etc.

GENERAL INFORMATION

RI Schedule K-1 is to be used by pass-through entities filing Form RI-1041, Form RI-1065, or Form RI-1120S to report beneficiary, member, or shareholder level information to the beneficiary(ies), member(s), or shareholder(s). All RI Schedule K-1s are to be attached to the entity return, as well as the beneficiary, member, or shareholder return.

INSTRUCTIONS

Complete the Entity Information and Taxpayer Information boxes with the entity's identification number, name, address, and entity type, and the taxpayer's identification number, name and address.

If this is either an amended or final RI Schedule K-1, please indicate by checking the applicable box.

If the taxpayer has been included in a composite filing (Form RI-1040C) for the entity for tax year 2026, check the "Included in Composite Filing" checkbox.

If the Partner/Shareholder is a Grantor Trust, check the 'Partner/Shareholder is a Grantor Trust." and complete Section VIII - Grantor Trust Information.

In the boxes provided, enter the taxpayer's:

- State of residency
- Rhode Island apportionment ratio *
- Ownership percentage of the entity *
- Profit (or loss) percentage of the entity

* Beneficiaries should leave these fields blank.

Note: Refer to Schedule II of Form RI-1041 for proper allocation to be used under the RI Schedule PTW and RI Schedule PTE sections.

Rhode Island residents should enter 100% (1.000000) on the apportionment percentage line.

Apportionment ratios should be calculated to six (6) decimal places.

All amounts reported on Rhode Island Schedule K-1 should reflect the taxpayer's share of the amounts, not the entity's amounts. Amounts should be based on the Rhode Island apportionment ratio of the entity, as well as the taxpayer's ownership percentage.

Section I - Taxpayer's Income and Deduction Information

Line 1. Enter the taxpayer's apportioned amount of Ordinary Business Income from Federal Form 1120-S or 1065, Schedule K, line 1, or Federal Form 1041, Schedule K-1, line 6.

Line 2. Enter the taxpayer's apportioned amount of Interest and Dividends from Federal Form 1120-S, Schedule K, lines 4 and 5a, Federal Form 1065, Schedule K, lines 5 and 6a, or Federal Form 1041, Schedule K-1, lines 1 and 2a.

Line 3. Enter the taxpayer's apportioned amount of Income from the Sale or Exchange of Property from Federal Form 1120-S, Schedule K, lines 7, 8a and 9, Federal Form 1065, Schedule K, lines 8, 9a and 10, or Federal Form 1041, Schedule K-1, lines 3 and 4a.

Line 4. Enter the taxpayer's apportioned amount of Rents and Royalties from Federal Form 1120-S, Schedule K, lines 2, 3c and 6, Federal Form 1065, Schedule K, lines 2, 3c and 7, or Federal Form 1041, Schedule K-1, lines 7 and 8.

Line 5. Enter the taxpayer's apportioned amount of Miscellaneous Income from Federal Form 1120-S, Schedule K, line 10, Federal Form 1065, Schedule K, lines 4c and 11, or Federal Form 1041, Schedule K-1, line 5.

Line 6. Enter the taxpayer's apportioned amount of Section 179 deduction from Federal Form 1120-S, Schedule K, line 11 or Federal Form 1065, Schedule K, line 12.

Line 7. Enter the taxpayer's apportioned amount of Other Deductions from Federal Form 1120-S, Schedule K, lines 12a, 12b, 12c, 12d and 12e, Federal Form 1065, Schedule K, line 13a, 13b, 13c, 13d(2) and 13e or Federal Form 1041, Schedule K-1, lines 9, 10 and 11.

Section II - Taxpayer's Other Additions

Note:
Before passing any income and/or adjustments to income through to a beneficiary on RI Schedule K-1, you should determine whether or not the income and/or adjustments to income have already been accounted for on Form RI-1041.

Line 1. Enter the taxpayer's apportioned amount of income from obligations of any state or its political subdivisions, other than Rhode Island under R.I. Gen. Laws § 44-30-12(1) and R.I. Gen. Laws § 44-30-12(2) from Form RI-1120S, Schedule C, line 1a, Form RI-1065, Schedule C, line 1a, or Form RI-1041, Schedule M, line 2a.

Line 2. Enter the taxpayer's apportioned amount of bonus depreciation that has been taken for federal purposes that must be added back to Rhode Island income under R.I. Gen. Laws § 44-61-1 from Form RI-1120S, Schedule C, line 1b, Form RI-1065, Schedule C, line 1b, or Form RI-1041, Schedule M, line 2d.

Line 3. Enter the taxpayer's apportioned amount of Pass-through Entity tax elected to be paid under R.I. Gen. Laws § 44-11-2.3 that has been taken for federal purposes that must be added back to Rhode Island income from Form RI-1120S, Schedule C, line 1d or Form RI-1065, Schedule C, line 1d.

In the case of a beneficiary, enter the amount of Pass-through Entity tax elected to be paid under R.I. Gen. Laws § 44-11-2.3 that has been taken for federal purposes on Form 1041 that must be added back to the beneficiary's Rhode Island income. The amount to be reported would be based on the beneficiary's share of income being reported on RI Schedule PTE.

Line 4. Enter the taxpayer's apportioned amount of the taxable portion of any Paycheck Protection Program Loan received by the entity. Under R.I. Gen. Laws § 44-11-11, the amount of any Paycheck Protection Program loan forgiven for federal income tax purposes under the Coronavirus Aid, Relief, and Economic Security Act, Consolidated Appropriations Act, 2021 and/or any other subsequent federal stimulus relief package that exceeds $250,000 must be added back as income to Rhode Island.

Line 5. Enter the taxpayer's apportioned amount of Research and experimental expenditures required to be added back from 2026 RI Schedule 174A, line 4.

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INSTRUCTIONS (CONTINUED)

Research and experimental expenditures must still be amortized for Rhode Island income tax purposes as required prior to the passage of P.L. 119-21, H.R.1 119th Cong. (2025).

If the pass-through entity's Federal Form 1120-S, Federal Form 1065, or Federal Form 1041 reports full expensing of domestic research and experimental expenditures, the pass-through entity will be required to complete RI Schedule 174A to determine the amount of research and experimental expenditures that must be added back to its federal taxable income for Rhode Island purposes, as well as the amount to be passed through to the entity's shareholder(s), partner(s), member(s), or beneficiary(ies).

Line 6. Enter the amount of contributions made to a capital construction fund that was taken as a deduction on your Federal return.

Section III - Taxpayer's Other Deductions

Note:
Before passing any income and/or adjustments to income through to a beneficiary on RI Schedule K-1, you should determine whether or not the income and/or adjustments to income have already been accounted for on Form RI-1041.

Line 1. Enter the taxpayer's apportioned amount of income from obligations of the US government included in Federal AGI, but exempt from state income taxes from Form RI-1120S, Schedule B, line 1a, Form RI-1065, Schedule B, line 1a, or Form RI-1041, Schedule M, line 1a. This amount should be reduced by any investment interest incurred or continued on the obligation which has been taken as a federal itemized deduction.

Line 2. Enter the taxpayer's apportioned amount of Elective deduction for new research and development facilities under R.I. Gen. Laws § 44-32-1 from Form RI-1120S, Schedule E, line 1, Form RI-1065, Schedule E, line 1, or Form RI-1041, Schedule M, line 1c.

Note: This election is for the carry-over of excess deductions from a prior year only.

Pursuant to R.I. Gen. Laws § 44-32-1 effective January 1, 2026, no deductions shall be allowed for tax years beginning on or after January 1, 2026. Deductions allowed for tax years ending on or before December 31, 2025, may be carried forward into tax years beginning on or after January 1, 2026, not to exceed three (3) years.

Line 3. Enter the taxpayer's apportioned amount of bonus depreciation that has already been taken on the Federal return that has not yet been subtracted from Rhode Island income under R.I. Gen. Laws § 44-61-1 from Form RI-1120S, Schedule B, line 1b or Form RI-1065, Schedule B, line 1b, Form RI-1041, Schedule M, line 1i.

Line 4. Enter the taxpayer's apportioned amount of section 179 depreciation that has already been taken on the Federal return that has not yet been subtracted from Rhode Island income from Form RI-1120S, Schedule B, line 1b, Form RI-1065, Schedule B, line 1b, or Form RI-1041, Schedule M, line 1j.

Line 5. Enter the taxpayer's apportioned amount for the Tax Incentives for Employers program under R.I. Gen. Laws § 44-55 from Form RI-1120S, Schedule B, line 1c or Form RI-1065, Schedule B, line 1c.

Line 6. ONLY FOR INDIVIDUAL MEMBERS/SHAREHOLDERS OF CASH BASIS ENTITIES - Enter the taxpayer's apportioned amount of the pass-through entity tax claimed on RI Schedule PTE in tax year 2025.

Line 7. For taxpayers licensed under R.I. Gen. Laws § 21-28.6 and/or R.I. Gen. Laws § 21-28.11, enter the taxpayer's apportioned share of the amount of any expenditure eligible to be claimed as a federal income tax deduction but disallowed under 26 U.S.C. § 280E.

Line 8. Enter the taxpayer's apportioned amount of Section 174A Amortization Adjustment for research and experimental expenditures from 2026 RI Schedule 174A, line 5. [I.R.S. Code 174]

Section IV - RI Schedule PTW/PTW - 1041 Information

Line 1. Enter the amount of Rhode Island source income from this entity for this taxpayer/beneficiary included in RI Schedule PTW/PTW - 1041.

Line 2. Enter the amount of tax paid on behalf of the taxpayer/beneficiary by the entity with its RI Schedule PTW/PTW - 1041.

Rhode Island Schedule K-1 must be attached to the taxpayer's/beneficiary's Rhode Island personal income tax return.

For returns filed through MeF, a copy of the Rhode Island Schedule K-1 must be uploaded as an attachment.

Failure to provide a copy of the Rhode Island Schedule K-1 may delay the processing of the filer's return.

Section V - Composite Filing Information

Line 1. Enter the amount of Rhode Island source income from this entity for this taxpayer included in a composite filing made by the entity.

Line 2. Enter the amount of tax paid on behalf of the taxpayer by the entity with its composite tax return.

A copy of the composite filing showing the amount of income and tax paid on behalf of the taxpayer must still be attached to the taxpayer's Rhode Island personal income tax return.

For returns filed through MeF, a copy of the filing and Rhode Island Schedule K-1 must be uploaded as an attachment.

Failure to provide a copy of the Rhode Island Schedule K-1 may delay the processing of the filer's return.

Section VI - RI Schedule PTE - Pass-through Entity Election Information

Line 1. Enter the amount of Rhode Island source income from this entity for this taxpayer included on RI Schedule PTE, Pass-through Entity Election Tax Schedule filed by the entity with Form RI-1041, Form RI-1065, or Form RI-1120S.

Line 2. Enter the amount of the Pass-through Entity Election tax credit from this entity for this taxpayer calculated at 90% of the PTE tax paid on behalf of the taxpayer by the entity with its filing.

Note: Effective for tax years beginning on or after January 1, 2025, the maximum credit that can be claimed by member(s)/partner(s) of the pass-through entity is equal to 90% of the Pass-through Entity Election tax paid by the pass-through entity.
Accordingly, the amount on line 2 should be the taxpayer's share of the

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INSTRUCTIONS (CONTINUED)

90% credit amount. Do not report the full amount of tax paid on behalf of the taxpayer by the pass-through entity.

Be sure to also enter the amount of increasing modification for this taxpayer on line 3 of Section II.

Example:
Pass-through entity's Rhode Island income: $83,472
Pass-through entity's RI Schedule PTE tax: $5,000
[$83,472 x 5.99% (0.0599) = $5,000]

Taxpayer is a 25% member of a pass-through entity
Taxpayer's share of Rhode Island income: $20,868
Taxpayer's share of RI Schedule PTE tax/tax paid on TP's behalf: $1,250
[$20,868 x 5.99% (0.0599) = $1,250]

Taxpayer's PTE credit to be claimed on RI Schedule W: $1,125
[$1,250 x 90% (0.9000) = $1,125]

Taxpayer's increasing modification to be claimed on RI Schedule M: $1,250*

* assumes pass-through entity is an Accrual based entity

Reporting on RI Schedule K-1
RI Schedule K-1, Section II, line 3: $1,250
RI Schedule K-1, Section VI, line 1: $20,868
RI Schedule K-1, Section VI, line 2: $1,125

Rhode Island Schedule K-1 must be attached to the taxpayer's Rhode Island personal income tax return.

For returns filed through MeF, a copy of the Rhode Island Schedule K-1 can be uploaded as an attachment.

Failure to provide a copy of the Rhode Island Schedule K-1 may delay the processing of the filer's return.

Section VII - Taxpayer's Credit Breakdown

For lines 1 through 6, enter the amount of credit passed through from the entity to the taxpayer. For more information on each credit, refer to the law reference found after each credit, or the instructions on page I-8 of the 2026 RI-1040 Rhode Island Resident Individual Income Tax Return booklet, or page I-11 of the 2026 RI-1040NR Rhode Island Nonresident Individual Income Tax Return booklet.

Section VIII - Grantor Trust Information

If the Partner/Shareholder being issued a RI Schedule K-1 from the Pass-through entity is a Grantor Trust, enter the name and social security number of the owner of the Grantor Trust in the space provided.

If the owner of the Grantor Trust needs to report any withholding paid on its behalf by the Issuer of the RI Schedule K-1, the owner of the Grantor Trust should use the federal identification number of the Pass-through entity issuer/payer and not the federal identification number of the Grantor Trust itself.

For example, ABC, LLC issues a RI Schedule K-1 to Joe Smith Grantor Trust which is owned by Joe Smith.

RI Schedule K-1:
Pass-through entity information
ABC, LLC
11-1111111

Partner/Member/Benficiary information
Joe Smith Grantor Trust
91-8273645

Grantor Trust Owner Information
Joe Smith
234-90-5678

Joe Smith's RI Schedule W:
Column C: Employer/Payer's Name - ABC LLC
Column D: Employer/Payer FEIN - 11-1111111

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