



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

March 16, 2012

ADV 2012-06

Advisory:

Tax Division update

Today's update focuses on the following topics:

- How many personal income tax returns have been filed so far;
- New Statistics of Income (SOI) reports;
- Notices for some holders of sales tax permits;
- A new form in the works for LPs, LLPs, and certain LLCs; and
- A revised directive on TDI tax issued by Massachusetts.

Returns reach halfway mark

The Rhode Island Division of Taxation has now received half of all the personal income tax returns that are expected to be filed this year.

As of March 14, a total of 299,513 returns had been filed, up 5 percent from the comparable point last filing season.

So far this year, 87 percent of returns have been e-filed, 9 percent on paper without a two-dimensional barcode, and 4 percent on paper with a 2-D barcode.

The filing deadline this year is April 17, about four weeks away.

	Filing season 2011	Filing season 2012
E-filed returns	238,506	261,268
Paper returns	33,997	27,089
2-D barcode returns	11,917	11,156
Total returns:	284,420	299,513

Filing season figures through March 16, 2011, and March 14, 2012.
Figures for each filing season do not include amended returns or prior-year returns.

(Continued on next page)

Tax Division posts Statistics of Income (SOI) reports

The Tax Division on March 15 [posted on its website two sets of Statistics of Income \(SOI\) reports](#): one for Rhode Island's personal income tax, another for the state corporate income tax. Both cover tax year 2010.

The reports draw on figures contained in tax returns filed with the Tax Division. The reports do not disclose confidential taxpayer information. Rather, they provide aggregate data for a given tax type.

For example, an SOI report for the Rhode Island personal income tax shows how many resident returns were filed for tax year 2010, how much adjusted gross income taxpayers reported in the aggregate, how many taxpayers claimed the standard deduction, how many itemized their deductions, and how much in credits they claimed. The report also breaks down the figures within various income groupings.

The set of corporate SOI reports shows the total number of returns for tax year 2010, how much in federal taxable income businesses reported, how much in deductions were claimed, and how much in credits were claimed. The reports also show how many business entities paid the corporate minimum tax of \$500. In addition, the corporate SOI set provides separate data for C corporations, subchapter S corporations, and limited liability companies (LLCs).

The Tax Division posts the reports each year. The first, on the personal income tax, was for tax year 2005. The Tax Division began posting SOI corporate tax data for tax year 2008. Taken together, the reports provide a trove of data for tax researchers and policymakers. The information is made available as a result of legislation approved by the General Assembly.

Sales tax permits, notices

Rhode Island sales tax permits expire June 30. If you haven't renewed yours, take steps to do so now.

If you are delinquent on your Rhode Island taxes, you will be ineligible to renew your permit, which means you won't be eligible to legally operate a business in Rhode Island.

The Tax Division on March 15 mailed about 4,450 letters – known as “21-Day Notices” – to holders of sales permits, reminding them that they are delinquent on some type of state tax, such as sales, income, or employer tax. If you receive such a notice, you'll have 21 days to file all of your outstanding returns and pay all of the tax that you owe. (For more information, please see [Rhode Island General Laws Chapter 5-76](#).)

If you have questions, call the Tax Division's Compliance & Collections section at (401) 574-8941 from 8:30 a.m. and 4 p.m. business days.

News for LPs, LLPs, LLCs

Limited partnerships (LPs) and limited liability partnerships (LLPs) must pay an annual charge – a filing fee – equal to the corporate minimum tax, which is currently \$500. It's the result of a law that was enacted in 2011 and that took effect in January 2012. (Similar treatment has applied for some time to limited liability companies – LLCs – that aren't taxed as corporations for federal and Rhode Island tax purposes).

(Continued on next page)

Which form will such entities file? The Tax Division has decided to revise Form RI-1065 and devise an accompanying payment voucher. Entities that are subject to the annual charge will be able to “check the box” on the form. (General partnerships will continue to use Form RI-1065, but won’t be subject to the annual charge.)

The form and voucher should be available within the next month for public comment. In general, entities won’t have to file the new form until early next year; some may have to file beforehand in certain circumstances.

Massachusetts directive on TDI

Massachusetts law generally allows a credit against Massachusetts personal income tax for taxes paid to another state. In a directive issued earlier this year, the Massachusetts Department of Revenue made it clear that, for purposes of the Massachusetts credit, Rhode Island Temporary Disability Insurance (TDI) taxes count as taxes paid to another state.

This week, the Massachusetts Department of Revenue [revised the directive, offering guidance to practitioners about amending prior-year returns](#).

Keep in touch . . .

Don’t forget that there are different ways you can keep in touch with the Rhode Island Division of Taxation:

- * Find us on [Facebook](#);
- * Get updates on [our blog](#);
- * Follow us on [Twitter](#); or
- * Join our listserv by e-mailing: Susan.Galvin@tax.ri.gov

Obtain forms, instructions, and other information through the [Tax Division website](#). The Tax Division’s main phone number is (401) 574-8829. Offices are at One Capitol Hill, Providence.

Contact:

Neil Downing
Chief Revenue Agent
Rhode Island Division of Taxation
(401) 574-8115
Neil.Downing@tax.ri.gov