



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

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Advisory:

Corporate e-file mandate

The Rhode Island Division of Taxation announced today that it will mandate the electronic filing of corporate tax returns beginning with the filing season that starts January 1, 2013.

The agency has already begun notifying tax preparers and other stakeholders well in advance of implementation. "We want to give tax preparers as much advance notice as possible so that they can take any steps needed in order to be in compliance with the e-file requirement," said Tax Administrator David M. Sullivan.

Legislation approved by the General Assembly and enacted in 2008 requires paid preparers of tax returns to file Rhode Island tax returns for their clients electronically with the Rhode Island Division of Taxation. The provision applies to each preparer who prepared more than 100 Rhode Island returns in the prior year.

The requirement took effect January 1, 2009. But as a practical matter, it applied at the time only to personal income tax returns; the agency's computers were not accepting e-filed corporate returns. But corporate e-file "went live" at the Tax Division in March 2011, and has been available ever since. "Corporate e-file may not have been available when the law first took effect, but it was available for part of last year, is available for all of this year, and will be available for all of next year," said Susan M. Galvin, chief of the E-Government and Processing sections at the Tax Division.

Corporate e-file surging

	Filing season 2011	Filing season 2012	Difference
Total returns processed	20,730	26,998	+ 30.24 %
Returns e-filed	6,250	10,037	+ 60.59 %
E-file as a percentage of total	30 %	37 %	+ 23.33 %

For Forms RI-1120C and RI-1120S. Figures are for tax year 2010 returns filed through June 25, 2011, and tax year 2011 returns filed through June 25, 2012. Many returns are filed after the usual mid-March deadline because they are on extension.

Many preparers understand the advantages of e-filing and have helped the number of e-filed corporate returns surge.

More corporate tax returns have been filed electronically so far this year than for all of last year. As of June 25, 2012, a total of 10,037 corporate returns have been e-filed, compared with 10,025 corporate returns that were e-filed during all of last year.

In addition, the number of partnership information returns e-filed so far this year on Form RI-1065 exceeds the number e-filed for all of last year – a total of 1,076 so far this year, compared with 939 for all of last year.

Peter McVay, associate director of revenue services, urged all preparers to e-file. “It’s safer, it’s more accurate, and it gets refunds into taxpayers’ hands more quickly,” he said. Charles J. Larocque, chief of the Tax Division’s Corporate Tax section, said that e-file also saves taxpayer dollars by reducing processing, storage, and other expenses.

Law allows for e-file mandate

The e-file mandate is embodied in [Rhode Island General Laws § 44-1-31.1](#). That law authorized the Tax Administrator, beginning January 1, 2009, to require e-filing by paid tax return preparers who prepared more than 100 Rhode Island tax returns in the prior year – including personal and corporate income tax returns and other types of Rhode Island tax returns.

If a paid tax return preparer fails to abide by the e-file mandate, or otherwise causes clients’ Rhode Island tax returns to be filed falsely or improperly, the Tax Administrator may, after a hearing to show cause, preclude such a preparer from preparing and filing Rhode Island tax returns with the Tax Division.

The Tax Division will begin enforcing that mandate January 1, 2013, with respect to paid preparers of corporate returns on the Form RI-1120 series and Form RI-1065.

- Thus, all returns filed on or after January 1, 2013, on Form RI-1120C, Form RI-1120S, or Form RI-1065 must be e-filed.

For purposes of determining whether a paid preparer has reached the 100-return threshold for the prior year, the Tax Division shall take into account the all “eligible returns” that the person prepared/filed during 2012, including returns on Form RI-1040, the Form RI-1120 series, and Form RI-1065.

- The Tax Administrator is authorized to waive the electronic filing requirement in a given year for a paid tax return preparer who can show that filing electronically will cause undue hardship.
- The Tax Administrator may allow a preparer to bypass the e-file requirement in a given instance in which a client specifically requests that the return(s) not be filed electronically.

Further details about the e-filing mandate are spelled out in Tax Division [Regulation ELF 09-01](#).

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