



Rhode Island Department of Revenue

Division of Taxation

ADV 2017-28
TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS
SEPTEMBER 14, 2017

Reminder: Calendar-year C corporations allowed six-month extension *Extended due date is October 16, 2017, for tax year 2016 returns on Form RI-1120C*

PROVIDENCE, R.I. – The Rhode Island Division of Taxation reminds tax professionals and businesses that calendar-year C corporations are allowed a six-month extension. Thus, for calendar-year C corporations who are filing on extension for tax year 2016, the extended due date is October 16, 2017.

“This makes it more convenient for businesses and their tax preparers, because the extended due date for their federal and their Rhode Island returns will be exactly the same,” said Rhode Island Tax Administrator Neena S. Savage.

“This is a business-friendly move,” and shall apply to all calendar-year C corporations filing Form RI-1120C, including those subject to mandatory unitary combined reporting, she said.

BACKGROUND AND EXPLANATION

Federal legislation enacted on July 31, 2015, changed the due dates and extended due dates for certain entities.¹ In response, Rhode Island legislation enacted in June 2016 changed the due dates for certain entities to conform to the new federal law.² The Rhode Island Division of Taxation changed extended due dates to conform to federal law.³

Under federal law, calendar-year C corporations have a due date of April 15 and an extended due date of September 15.⁴ However, the Internal Revenue Service changed the instructions on U.S. Form 7004 to indicate that a calendar-year C corporation’s extended due date is October 16, 2017. In a note on its website, the IRS says the following:

“Although Internal Revenue Code section 6081(b) provides a 5-month automatic extension period for calendar year C Corporations, the IRS is granting a 6-month automatic extension under section 6081(a) instead. This change is reflected in the new revision of the Instructions for Form 7004. We have posted this article because the IRS wants to reassure the tax professional community that the information is correct in the Form 7004 instructions regarding the automatic 6-month extension and explain that the reason it's correct is section 6081(a).”

Even though federal law continues to state that calendar-year C corporations have a five-month extension, for an extended due date of September 15, the Rhode Island Division of Taxation has decided to grant calendar-year C corporations a six-month extension, for an extended due date of October 16,

¹ U.S. Public Law 114-41.

² Rhode Island Public Law 2016, chapter 142, article 13.

³ Rhode Island Division of Taxation Advisory 2016-16.

⁴ Internal Revenue Code § 6081(b).

consistent with revised U.S. Form 7004 instructions.⁵ A table, in Division of Taxation Advisory 2017-27 issued earlier today, will be updated accordingly.

» *Therefore, for calendar-year C corporations filing on extension, the extended due date will be the same for their federal and Rhode Island returns.*

DISASTER RELIEF

For individuals and businesses who are in an area that has been directly impacted by the recent hurricanes, and who ask for deadline relief, the Rhode Island Division of Taxation will consider such requests on a case-by-case basis.

In general, the Division of Taxation will follow the IRS's guidance regarding postponing certain deadlines for taxpayers who reside or have a business in the disaster area. Taxpayers should send a letter to the address below, requesting the relief and explaining their circumstances:

Rhode Island Division of Taxation
"Hurricane: XXXXX Tax Relief"
One Capitol Hill
Providence, R.I. 02908

In place of the "XXXXX" in the address above, the individual or business should write the tax type. For example, "Hurricane: Personal Income Tax Relief", or "Hurricane: Corporate Tax Relief."

Please note that even if a taxpayer directly impacted by one of the recent natural disasters is approved for an extension, it is only an extension for filing, not for paying; payments are still due on the usual deadline. If such a taxpayer is unable to make payment on time, the Division will consider waiving penalties, but cannot waive interest. If, for whatever reason, such a taxpayer later receives a Notice which includes penalty, the taxpayer should send the Division a letter of explanation to abate the penalty.

The Rhode Island Division of Taxation office is located at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance to the State House, and is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829.

⁵ See Rhode Island General Laws § 44-11-5. The six-month extension is reflected in Form RI-7004.