



# Rhode Island Department of Revenue

## Division of Taxation

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TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS  
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### **Tax changes take effect on Tuesday, January 1, 2019**

*Adjustments involve estate tax, interest rates, TDI tax, unemployment insurance tax*

PROVIDENCE, R.I. – The Rhode Island Division of Taxation reminds tax professionals of tax changes that will take effect on Tuesday, January 1, 2019.

“These changes apply for tax years beginning on or after January 1, 2019. They do not affect the tax returns that businesses and individuals will file over the next few months, covering the 2018 tax year,” said Tax Administrator Neena Savage.

“Nevertheless, the changes are important to keep in mind now, for tax-planning purposes throughout the 2019 calendar year,” she said.

Following are highlights of some of the changes:

#### ■ ESTATE TAX:

Because of an inflation adjustment prescribed by statute, the Rhode Island estate tax credit amount will be \$68,350 for decedents dying on or after January 1, 2019, up from the current credit amount of \$66,810.

As a result, the Rhode Island estate tax threshold will be \$1,561,719 for decedents dying on or after January 1, 2019, up from the current threshold of \$1,537,656.

Estate tax at a glance		
	2018*	2019**
Estate tax credit amount	\$66,810	\$68,350
Estate tax threshold	\$1,537,656	\$1,561,719

\* For decedents dying in calendar year 2018. \*\* For decedents dying in calendar year 2019.

Thus, in general, for a decedent dying in 2019, a net taxable estate valued at \$1,561,719 or less will not be subject to Rhode Island’s estate tax. Due to the inflation adjustment, fewer estates will be subject to Rhode Island’s estate tax in 2019.

(In certain circumstances, the Rhode Island estate tax will not apply regardless of the estate’s size: Rhode Island General Laws Chapter 44-22 provides full details on the computation of the tax, including such factors as the marital and charitable deductions.)

■ **INTEREST RATES:**

Interest on overpayments (refunds) for calendar year 2019 shall be at the rate of 5.25 percent per annum, compared with the rate of 4.25 percent per annum for calendar year 2018.

For calendar year 2019, the interest rate on underpayments (delinquencies) shall be 18 percent per annum, the same as the rate for 2018.

Interest rates at a glance		
	2018	2019
Overpayments	4.25%	5.25%
Underpayments	18%	18%
Note: Rates are set by formulas set forth in statute.		

■ **TDI TAX:**

The maximum tax under Rhode Island's temporary disability insurance (TDI) program will be \$781.00 for calendar year 2019, up from \$762.30 for calendar year 2018, an increase of \$18.70, or 2.45 percent.

The maximum amount of wages to which the TDI tax rate applies will be \$71,000 for 2019, compared with \$69,300 for 2018, an increase of \$1,700, or 2.45 percent. However, the TDI tax rate will be 1.1 percent for 2019, the same as it was for 2018. Thus, the maximum TDI tax for 2019 will be \$781.00 (the tax rate of 1.1 percent applied to the first \$71,000 of one's wages).

The maximum TDI tax for 2018 was \$762.30 (the tax rate of 1.1 percent applied to the first \$69,300 of one's wages).

Temporary disability insurance (TDI) tax at a glance		
	2018	2019
Tax rate	1.1%	1.1%
Taxable wage base	\$69,300	\$71,000
Maximum tax	\$762.30	\$781.00

(Whether the amount of TDI tax goes up or down – or stays the same – for any particular individual will generally depend on how much the individual earns.)

■ **UNEMPLOYMENT INSURANCE TAX:**

For most Rhode Island employers, the taxable wage base for calculating the Rhode Island unemployment insurance (UI) tax will be \$23,600 for 2019, compared with \$23,000 for 2018, an increase of \$600, or 2.61 percent.

However, the State of Rhode Island will use the same tax rate schedule for 2019 that it used for 2018 -- Schedule G.

Rhode Island unemployment insurance (UI) tax at a glance		
	2018	2019
Taxable wage base	\$23,000	\$23,600
Tax rate schedule	G	G
Tax rate range	1.1% to 9.7%	1.1% to 9.7%
Tax rate ranges include assessment/adjustment for Job Development Fund.		

Therefore, the tax rate range will stay the same for 2019, at 1.1 percent to 9.7 percent (including the assessment and adjustment for the Job Development Fund).

■ TAX CREDITS EXTENDED:

Several Rhode Island tax credit, incentive, and related programs were scheduled to sunset on December 31, 2018. However, as a result of legislation approved by the Rhode Island General Assembly and signed into law by Rhode Island Governor Gina M. Raimondo, the sunset for each of the following has been extended to June 30, 2020.

- The “Rebuild Rhode Island Tax Credit” program (Rhode Island General Laws Chapter 42-64.20);
- The “Rhode Island Tax Increment Financing” program (Rhode Island General Laws Chapter 42-64.21);
- The “Stay Invested in RI Wavemaker Fellowship” program (Rhode Island General Laws Chapter 42-64.26); and
- The “Rhode Island New Qualified Jobs Incentive Act 2015” (Rhode Island General Laws Chapter 44-48.3).

FOR MORE INFORMATION

More details about some of the tax law changes are contained in the Division of Taxation’s annual “Summary of Legislative Changes,” available through: <https://go.usa.gov/xUKGX>.

For details about personal income tax standard deduction amounts, exemptions, tax brackets, and related information: [http://www.tax.ri.gov/Advisory/ADV\\_2018\\_45.pdf](http://www.tax.ri.gov/Advisory/ADV_2018_45.pdf).

For more on the Rhode Island estate tax credit and threshold: [http://www.tax.ri.gov/Advisory/ADV\\_2018\\_44.pdf](http://www.tax.ri.gov/Advisory/ADV_2018_44.pdf).

For more about UI and TDI taxes: [http://www.dlt.ri.gov/News\\_Releases/NR121018.htm](http://www.dlt.ri.gov/News_Releases/NR121018.htm).

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*The Rhode Island Division of Taxation office is 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 8:30 a.m. to 3:30 p.m. business days. To learn more, see the agency’s website: [www.tax.ri.gov](http://www.tax.ri.gov), or call (401) 574-8829.*

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