



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

Advisory

April 8, 2014

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One week to deadline

The deadline for filing Rhode Island personal income tax returns is a week from today. Returns covering tax year 2013 must be e-filed or postmarked on or before April 15, 2014.

More than 380,000 returns have been filed so far this season, up 3 percent compared with the same point a year ago.

So far this season, nine out of every 10 Rhode Island personal income tax returns have been e-filed.

Type of filing:	% of total filings:
E-filed returns	90.86%
Paper returns without barcode	6.14%
Paper returns with barcode	3.00%
Total:	100.00%
Total filings of 381,513 current-year returns through April 2, 2014.	

"Tax professionals and taxpayers who plan to file during the next week should definitely use electronic filing," said Rhode Island Tax Administrator David M. Sullivan. E- filing saves time and money, and results in fewer errors and faster processing, said Peter McVay, associate director of revenue services. And only by e-filing can you have your refund deposited directly into your bank or credit union account.

The number of returns filed on paper has declined this season compared with last year, and so has the number of paper returns with two-dimensional barcodes. Sullivan attributed the declines to the increasing popularity of e-filing. "Tax preparers and taxpayers have come to appreciate the many benefits of e-filing," Sullivan said.

	Filing season 2013	Filing season 2014	Difference
E-filed returns	330,134	346,640	+ 5.00 %
Paper returns	27,117	23,411	- 13.67 %
2-D barcode returns	12,668	11,462	- 9.52 %
Total returns:	369,919	381,513	+ 3.13 %

Table shows cumulative figures: tax year 2012 returns filed through April 3, 2013, and tax year 2013 returns filed through April 2, 2014.

Tips for last-minute filers

■ **Forms:** Forms, instructions, booklets, and additional information are available for download from the Division of Taxation's website: www.tax.ri.gov/taxforms. Forms, instructions, and booklets can be picked up by visiting the agency's first-floor lobby, One Capitol Hill, Providence, Rhode Island, between 8:30 a.m. and 4:00 p.m. business days.

■ **Using a Preparer:** There are many enrolled agents, certified public accountants, public accountants, registered tax return preparers, and other paid preparers in the Rhode Island area who are available to prepare and file your federal and state returns. For information about locations and times of volunteer tax preparers, call the United Way of Rhode Island's helpline at 211, or use this website: www.211ri.org. For information on the Volunteer Income Tax Assistance (VITA) program, call toll-free at 1-800-906-9887, or see www.irs.gov. For information on the AARP Tax-Aide program, call toll-free at 1-888-227-7669, or use this website: www.aarp.org/taxaide.

■ **Free File:** The Division of Taxation's website includes links to a number of online tax preparation programs that allow low-income and other eligible taxpayers to prepare and file their federal and Rhode Island personal income tax returns at no charge. Taxpayers must first meet the eligibility requirements and should read each program's terms and conditions carefully. The links are available at: <http://www.tax.ri.gov/misc/efile.php>.

■ **Refund Guide:** Among the topics covered in the Division of Taxation's new "[Guide to Tax Refunds](#)": how to find out the status of your refund; what to do when a direct deposit goes astray; why your refund amount may be more – or less – than you expected; and common errors that lead to refund delays. The average refund so far this season is about \$550.

■ **Extensions:** If you can't file your Rhode Island personal income tax return by the April 15 deadline, you can obtain an automatic six-month extension, pushing your filing deadline out to October 15, 2014. The extension is for resident and nonresident returns. For information about how to make a proper estimate when filing for an extension, please [click here](#). If you have a balance due, you still must pay what you owe by April 15, or face penalty and interest charges. (It's an extension of the time to file, not of the time to pay.) If you'll have a balance due, file [Form RI-4868](#) on paper. (If you'll have a balance due and [pay it by credit card](#), you don't have to file a [Form RI-4868](#). A third-party fee is charged when you pay by credit card.) If you can't pay what you owe by April 15, file anyway to avoid the failure-to-file penalty – and enter into an agreement to pay over time, in installments. To learn more about such payment plans, call the Tax Division's Compliance & Collections section, at (401) 574-8941 from 8:30 a.m. to 4:00 p.m. business days. (Have a copy of your return handy when you call.)

■ **Other Forms, Payments Due:** April 15 is the final deadline for property-tax relief claims on [Form RI-1040H](#) and for the residential lead abatement credit on [Form RI-6238](#). It's also the deadline for making your first quarterly estimated payments of Rhode Island personal income tax for the year.

Double-counting dividends on Form RI-1040H

The Division of Taxation urges preparers not to double-count dividends when calculating household income for purposes of the statewide property-tax relief credit on Form RI-1040H.

Line 16 of Form RI-1040H (see snapshot below) directs a taxpayer to include, among other things, income that's listed on lines 9a and 9b of U.S. Form 1040.

The problem is that line 9b of the federal form ("qualified dividends") is typically a subset of line 9a ("ordinary dividends").

So with regard to dividends, the instruction on Line 16 of Form RI-1040H should ask only for dividends from line 9a of the federal form, not line 9b. Preparers and taxpayers should take note.

WORKSHEET	15	Wages, salaries, tips, etc. from Federal Form 1040, line 7
	16	Interest and dividends (taxable and nontaxable) from Federal Form 1040, lines 8a, 8b, 9a and 9b.....
	17	Taxable refunds, credits or offsets of state and local income taxes from Federal Form 1040, line 10 ..
	18	Alimony received from Federal Form 1040, line 11
	19	Business income (or loss) from Federal Form 1040 line 12
	20	Sale or exchange of property from Federal Form 1040, lines 13 and 14.....
	21	IRA distributions, and pensions and annuities from Federal Form 1040, lines 15a, 15b, 16a and 16b.
	22	Rental real estate, royalties, S corps, trusts, etc. from Federal Form 1040, line 17

Line 16 of Form RI-1040H (highlighted above) incorrectly asks taxpayers to include dividends from line 9a as well as line 9b of the U.S. Form 1040. In fact, taxpayers should include dividends only from line 9a of the federal return, not from line 9b.

"Of all the taxpayers who seek to claim the property-tax relief credit on Form RI-1040H, very few have income from dividends," Tax Administrator David M. Sullivan said. "Nevertheless, every taxpayer is important to us, and we want to make absolutely sure that nobody accidentally double-counts dividends in the calculation. We're pleased to be able to get this message out before the filing deadline," Sullivan said.

"For purposes of computing line 16 of Form RI-1040H, we urge tax preparers, software providers, and taxpayers to use line 9a of the federal form – not line 9b – in their calculations, and we have already begun reaching out to stakeholders on this point," Sullivan added. Those who may have double-counted dividends on Form RI-1040H and have already filed the form should wait until the April 15 deadline passes and file an amended return, Sullivan said.

For questions about this Advisory, contact:

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