

**2001 Instructions
FOR TAXPAYERS PREPARING RHODE ISLAND NONRESIDENT
INCOME TAX RETURNS – FORM RI-1040NR**

GENERAL INSTRUCTIONS

This year there are two return envelopes included in this booklet. Please use the envelope marked refund for all refund returns. The other envelope should be used for all other returns.

IMPORTANT

1. Read the instructions carefully. For your convenience we have provided step-by-step instructions which will aid you in completing your return.
2. Complete your federal income tax return first. It is the basis for preparing your Rhode Island tax return. The Rhode Island tax is based on your federal taxable income.
3. Fill out the RI-1040NR completely.
4. Attach your withholding statement(s). This is the statement of taxes withheld, which is furnished to you by your employer. If the statement is not available, please explain.
5. Be sure to sign your return.
6. File early (Deadline is April 15).

These instructions are for the use of non-resident and part-year resident taxpayers only. Resident taxpayers will file their individual income tax returns on Form RI-1040. Resident forms and instructions are available upon request at either local banks in Rhode Island or at the Rhode Island Division of Taxation.

DEFINITION OF RESIDENT AND NONRESIDENT

RESIDENT: a person (a) who is domiciled in the State of Rhode Island or (b) who, even though domiciled outside Rhode Island, maintains a permanent place of abode within the state and spends a total of more than 183 days of the taxable year within the state.

NONRESIDENT: any person not coming within the definition of a resident.

For purposes of the above definition, domicile is found to be a place an individual regards as his or her permanent home – the place to which he or she intends to return after a period of absence. A domicile, once established, continues until a new fixed and permanent home is acquired. No change of domicile results from moving to a new location if the intention is to remain only for a limited time even if it is for a relatively long duration. For a married couple, normally both individuals have the same domicile. Any person asserting a change in domicile must show:

1. an intent to abandon the former domicile,
2. an intent to acquire a new domicile and
3. actual physical presence in a new domicile.

INCOME OF A NONRESIDENT SUBJECT TO TAX

A nonresident is subject to tax on all items included in his or her total federal income (including his or her distributive share of partnership income or gain and his or her share of estate or trust income or gain) which are derived from or connected with Rhode Island sources as follows:

1. From real or tangible personal property located in the state.
2. From a business, trade, profession or occupation carried on in the state.
3. From services performed in the state.
4. Winnings and prizes from RI lottery and pari-mutuel betting events in this state.

A nonresident is not subject to tax on the following classes of income even though included in total federal income:

1. Annuities, interest, dividends or gains from the sale or exchange of intangible personal property unless they are part of the income from any business, trade, profession or occupation carried on in this state by the nonresident taxpayer.
2. Compensation received for active service in the military forces of the United States.

INCOME TERMS DEFINED

In these instructions "total federal income" is federal adjusted gross income as defined in the United States Internal Revenue Code (IRC) and applicable regulations. "Total income from Rhode Island sources" is that portion of your total federal income derived from or connected with Rhode Island sources. "Total Rhode Island income" is your total income from Rhode Island sources after making the additions and subtractions described later in these instructions. Total Rhode Island income of a part-year resident includes total income from Rhode Island sources for the entire year plus other income received during period of residence in Rhode Island after making the additions and subtractions described later in these instructions.

WHO MUST FILE A RETURN

Every nonresident individual required by the laws of the United States to file a federal income tax return who has income derived from or connected with Rhode Island sources must file a Rhode Island individual income tax return.

A nonresident individual who is not required to file a federal income tax return is required to file a Rhode Island individual income tax return if he or she has Rhode Island income as modified for the taxable year.

PART-YEAR RESIDENTS

Every individual who was a resident for a period of less than 12 months is required to file a Rhode Island return if he or she is required to file a federal return. The part-year resident may claim only that portion of his or her total federal exemptions and deductions as the ratio of Rhode Island adjusted gross income is to federal adjusted gross income.

JOINT AND SEPARATE RETURNS

JOINT RETURNS Generally, if a husband and wife file a joint federal income tax return they also must file a joint Rhode Island income tax return.

However, if either the husband or wife is a resident and the other is a non-resident, they must file separate returns, unless they elect to file a joint return as if both were residents of Rhode Island. If the resident spouse files separately in Rhode Island and a joint federal return is filed for both spouses, the resident spouse must compute income, exemptions and tax as if a separate federal return had been filed.

If neither spouse is required to file a federal income tax return and either or both are required to file a Rhode Island income tax return, they may elect to file a joint Rhode Island income tax return.

Individuals filing joint Rhode Island income tax returns are both equally liable to pay the tax. They incur what is known as "joint and several liability" for Rhode Island income tax.

SEPARATE RETURNS Individuals filing separate federal income tax returns must file separate Rhode Island income tax returns.

MILITARY PERSONNEL

Under the provisions of the Soldiers and Sailors Civil Relief Act the service pay of members of the armed forces can only be subject to income tax by the state of which they are legal residents. Place of legal residence at the time of entry into the service is normally presumed to be the legal state of residence and remains so until legal residence in another state is established and service records are changed accordingly. The Rhode Island income tax is imposed on all the federal taxable income of a resident who is a member of the armed forces, regardless of where such income is received. Military pay received by a nonresident service person stationed in Rhode Island is not subject to Rhode Island income tax. This does not apply to other income derived from Rhode Island sources, e.g., if the service person holds a separate job, not connected with his or her military service, income received from that job is subject to Rhode Island income tax. Income derived from Rhode Island sources by the service person's spouse is subject to Rhode Island income tax.

Internal Revenue Code provisions governing armed forces pay while serving in a "combat zone" or in an area under conditions that qualify for Hostile Fire Pay are applicable for Rhode Island purposes.

DECEASED TAXPAYERS

If the taxpayer died before filing a return for 2001, the taxpayer's spouse or personal representative must file and sign a return for the person who died if the deceased was required to file a return. A personal representative can be an executor, administrator or anyone who is in charge of the taxpayer's property.

The person who files the return should write "deceased" after the deceased's name and show the date of death in the name and address space on the return.

If you are claiming a refund as a surviving spouse filing a joint return with the deceased, no other

form is needed to have the refund issued to you. However, all other filers requesting a refund due the deceased, must file Form RI-1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, to claim the refund.

WHEN TO FILE

If your return is based on the calendar year, it must be filed not later than April 15. If the due date of your return falls on a Saturday, Sunday or Rhode Island legal holiday, the return will be due on the next working day.

EXTENSION OF TIME

Any extension of time for filing an individual income tax return granted shall not operate to extend the time for the payment of any tax due on such return.

In General -

1. An individual who is required to file a Rhode Island income tax return shall be allowed an automatic four-month extension of time to file such return.
2. An application must be prepared in duplicate on form RI-4868.
3. The original of the application must be filed on or before the date prescribed for the filing of the return of the individual with the Rhode Island Division of Taxation.
4. The application for extension must show the full amount properly estimated as tax for the taxable year, and the application must be accompanied by the full remittance of the amount properly estimated as tax which is unpaid as of the date prescribed for the filing of the return.

NOTE: If no payment is required to be made with your Rhode Island extension form and you are filing a federal extension form for the same period of time, then **you do not need to submit the Rhode Island form.** Attach a copy of the Federal Form 4868 or the approved Federal Form 2688 to your Rhode Island individual income tax return at the time it is submitted.

WHERE TO FILE

All barcode returns should be sent to Suite 2-D, zip code: 02908-5824

Mail your return to:
STATE OF RHODE ISLAND
Division of Taxation
One Capitol Hill
Providence RI 02908 – 02908-5801

Refund returns should be sent to Suite 32, zip code: 02908-5806

Payment returns should be sent to Suite 34, zip code: 02908-5808

WHERE TO GET FORMS

As far as practical, tax forms and instructions are mailed directly to taxpayers. Additional forms may be obtained from:

The Division of Taxation (401) 222-1111
The website <http://www.tax.state.ri.us>
Or the faxback system (401) 274-3676

MISSING OR INCORRECT FORM W-2

This is the form furnished to you by your employer which shows the amount of your income tax withheld by them, and a copy of it must accompany your Rhode Island income tax return if you are to receive credit for such withheld tax. Only your employer can issue or correct this form. If you have not received a Form W-2 from your employer by February 15, or if the form which you have received is incorrect, contact your employer as soon as possible.

ROUNDING OFF TO WHOLE DOLLARS

The money items on your return and schedules may be shown in whole dollars. This means that you may eliminate any amount less than 50 cents and increase any amount from 50 cents to 99 cents to the next higher dollar.

CHANGES IN YOUR FEDERAL TAXABLE INCOME OR FEDERAL TAX LIABILITY

You must report to the Rhode Island Division of Taxation any change or correction in federal taxable income or federal tax liability as reported on your federal income tax return, whether resulting from the filing of an amended federal return or otherwise, within 90 days after filing such amended return or final determination of such change by the Internal Revenue Service. Use form RI-1040X.

ELECTORAL SYSTEM CONTRIBUTION

You may designate as a contribution of five dollars (\$5), or ten dollars (\$10) if married and filing a joint return, to the account for the public financing of the electoral system. The first two dollars (\$2), or four dollars (\$4) if married and filing a joint return, up to a total of two hundred thousand dollars (\$200,000) collectively for all parties and the nonpartisan account, shall be allocated only to political parties which at the preceding general election, nominated a candidate for governor and such candidate polled at least 5 percent of the entire vote cast in the state for governor. Remaining funds shall be allocated for the public financing of campaigns for governor.

Make only one designation, either by naming a political party, or by checking the box for the nonpartisan general account. If you designate:

1. a political party which did not receive at least 5% of the entire vote for Governor in the preceding general election,
2. a non-existent political party,
3. a particular office
4. an individual office holder, or political figure or
5. a national party which is not a state party, your electoral system contribution will be credited to the nonpartisan general account. If you designate more than one political party or a political party and also the nonpartisan general account, your contribution will be credited to the first political party named.

CONTRIBUTIONS

You may designate as contributions to the Drug Program Account, the US Olympic Committee, the Rhode Island Organ Transplant Fund, RI Council on the Arts Appropriation, the Non-Game Wildlife Appropriation, and the Childhood Disease Victims' Fund.

RHODE ISLAND LOTTERY PRIZES

Winnings and prizes received from the Rhode Island Lottery are taxable under the Rhode Island personal income tax and are includable in the income of both residents and non-residents alike.

SIGNATURE

You must sign your Rhode Island income tax return and both husband and wife must sign their joint return. An unsigned return cannot be processed.

Any paid preparer who prepares a taxpayer's return must also sign as "preparer". If a firm or corporation prepares the return, it should be signed in the name of the firm or corporation.

If you wish to allow the Tax Division to contact your paid preparer should questions arise about your return, check the appropriate box above the preparer's name.

Don't need forms mailed to you next year? Taxpayers who pay someone else to prepare their returns probably do not need a booklet mailed to them each year. If you do not need a booklet mailed to you next year, check the box below the signature line. The Division of Taxation will send you a postcard as a reminder to see your preparer. Telling us that you do not need a booklet next year will help us to reduce printing and mailing costs.

PAYMENTS OR REFUNDS

Any balance of tax liability shown on your return to be due the State of Rhode Island must be paid in full with your return. Make check or money order payable to the Rhode Island Division of Taxation and forward with your return to the State of Rhode Island, Division of Taxation, One Capitol Hill, Providence, RI 02908-5808. An amount due of less than one dollar (\$1) need not be remitted.

A refund will be made if overpayment of income tax is shown on your return, unless you indicate on your return that such overpayment is to be credited to estimated tax liability for 2002. No other application for refund is necessary. Please note that no refund can be made unless your return is properly signed. Refunds of less than \$1.00 will not be made unless specifically requested.

ESTIMATED INCOME TAX

An individual, estate or trust is required to make estimated tax payment(s) if the amount of Rhode Island income tax for the year can reasonably be expected to exceed by more than \$250 the amount estimated to be withheld or credited against the tax. The estimated tax payment(s) is made on Form RI-1040ES or RI-1041ES which also has instructions for computing the estimated tax and making payments of the amounts due.

CREDIT FOR INCOME TAXES PAID TO ANOTHER STATE – PART YEAR RESIDENTS ONLY

Part year residents who derived income from another state while a resident of Rhode Island may claim a credit for tax paid to the other state on that income. Taxpayers claiming credit for income taxes paid to another state must complete page 8, schedule V, part 2 of Form RI-1040NR and attach

a completed, signed copy of the other state's return.

RI 3468 INVESTMENT TAX CREDIT

Rhode Island law allows an investment tax credit of 4% of the cost or other basis as used for federal income tax purposes of certain property used by the taxpayer in the production of goods by manufacturing, processing or assembling. Special class of businesses by SIC code may claim a 10% credit on qualifying property if they satisfy eligibility criteria as defined by Rhode Island law and regulations.

Detailed instructions are available on Form RI-3468 that must accompany any return claiming an investment tax credit. Form RI-3468 may be obtained from the Rhode Island Division of Taxation.

RI 6324 ADULT EDUCATION TAX CREDIT

A Rhode Island employer may obtain a credit of 50% of the costs incurred solely and directly for enumerated, worksite based adult education programs. The credit is limited to a maximum of \$300 per employee. Amounts of credit not deductible in one tax year may not be carried over to the following year. Taxpayers claiming the credit should contact the Rhode Island Division of Taxation for details and instructions.

RI 321 JUVENILE RESTITUTION CREDIT

The employer of a juvenile hired pursuant to section 14-1-32.1 is entitled to receive an income tax credit of 10% of the amount of wages paid to said juvenile annually. The credit shall not exceed the sum of three thousand dollars (\$3,000) annually.

An employer claiming a tax credit for wages paid under this program must attach to the income tax return a certification from the Department of Children, Youths and Families Juvenile Probation and Parole supporting the claim. No credit will be allowed without such certification.

RI-8095 EMPLOYMENT TAX CREDIT

An employer who participates in the bonus program in conjunction with Chapter 40-6.3 of the general laws shall be eligible for a tax credit as set forth in R.I.G.L. section 40-6.3-4. An employer claiming credit must obtain a written certificate from the director of human services that the employer has complied with the provisions of Chapter 40-6.3 and the rules and regulations promulgated thereunder.

RI-8462 RHODE ISLAND ARTIFACTS, ART WORKS AND EXHIBITION OBJECTS

A state tax credit is extended to owners of objects of significance to Rhode Island when they lend these items for public viewing.

RI-2441 CHILD DAY CARE ASSISTANCE AND DEVELOPMENT CREDITS

Credits are available as passed through from employers or commercial landlords who are partnerships, joint ventures or subchapter S corporations for 30 percent of the amount of Rhode Island licensed daycare purchased and 30 percent of the cost to establish and/or operate a Rhode Island licensed daycare facility. Also, a credit of 30 percent of the amount foregone in rent or lease payments for space dedicated to child daycare services is available. Taxpayers claiming this credit should attach a Form RI-2441.

Credits for daycare of the above types require confirmation that the facility agrees to accept children for whom services are paid by the RI Department of Human Services.

RI-715 HISTORICAL RESIDENCES CREDIT

Any taxpayer who files a state income tax return and owns a RI historic residence may claim an income tax credit of up to ten percent (10%) of certified maintenance or rehabilitation costs. Certification of the costs must be obtained from the State Historical Preservation Commission. The certification from this commission must be filed with the Rhode Island income tax return.

RENEWABLE ENERGY SYSTEM CREDIT

An eligible person may claim a credit for a photovoltaic system, solar domestic hot water system, active solar space heating system or wind generation system installed in a dwelling in Rhode Island. The credit for systems claimed in 2001 is 25% of the cost of the system. For additional requirements and information, please contact the Rhode Island Division of Taxation, Taxpayers Assistance Section, at 401-222-1040.

RI-6238 RESIDENTIAL LEAD PAINT CREDIT

An individual is entitled to a credit against his/her RI personal income tax liability for residential lead removal if he/she:

1. obtains written certification of the hazard,
2. has the hazard removed by a licensed contractor,
3. pays for the hazard removal and
4. obtains written certification of the hazard's removal and that the dwelling is acceptable for occupancy.

The credit is equal to the amount paid for the lead removal or reduction to a maximum of \$1,000 per dwelling unit. Taxpayer claiming this credit should attach a form RI-6238

RI-2642 SBA GUARANTY FEE CREDIT

Effective July 1, 1994, taxpayers who have paid a loan guaranty fee to the Small Business Administration (SBA) in order to obtain guaranteed financing on which they are the primary obligors may take the amount of the fee as a credit against their Rhode Island personal income tax liability. Taxpayers claiming this credit should attach a form RI-2642.

RI-7695P R&D CREDIT – PROPERTY

A credit is available to sole proprietors or passed through from partnerships, joint ventures or subchapter S corporations for research and development property acquired, constructed,

reconstructed or erected after July 1, 1994. The credit is 10% of the cost or other basis of real and tangible personal property which is depreciable, has a useful life of 3 years or more, was acquired by purchase, has a situs in Rhode Island and is used principally for purposes of research and development in the experimental or laboratory sense. This type of research and development does not include the ordinary testing or inspection of materials or products for quality control, efficiency surveys, management studies, consumer surveys, advertising, promotions or research in connection with literary, historical or similar projects. The credit is not available for leased property. Taxpayers claiming this credit should attach a Form RI-7695P.

RI-7695E R&D CREDIT – EXPENSES

A credit is available to sole proprietors or passed through from partnerships, joint ventures or subchapter S corporations for qualified research expenses. The credit is 5% of the excess (if any) of the qualified research expenses in the taxable year over the base period research expenses. The terms "qualified research expenses" and "base period expenses" have the same meaning as defined in the Internal Revenue Code. However, the expenses must have been incurred in Rhode Island after July 1, 1994. Taxpayers claiming this credit should attach a form RI-7695-E.

CAPITAL INVESTMENT IN SMALL BUSINESSES.

Rhode Island General Law (44-33) provides modifications for a qualifying investment in certified venture capital partnerships and also credits for wages paid by entrepreneurs to employees of qualifying business entities.

ENTERPRISE ZONE TAX BENEFITS

The Enterprise Zone Council enacted by 42-64.3-3.1 has created Rhode Island enterprise zones. Various tax benefits may be available to taxpayers in the forms of business credits, special modifications, donation credits and interest credits. Taxpayers wishing to use these benefits should contact the Division of Taxation for details.

INTEREST

Any tax not paid when due including failure to pay adequate estimated tax is subject to interest at the rates of 12% in 2001 and 12% in 2002. Interest on refunds of tax overpayments will be paid at the rate of 12% if the refund is not paid within 90 days of the due date or the date the completed return was filed whichever is later.

PENALTIES

The law provides for penalties in the following circumstances:

1. Failure to file an income tax return
2. Failure to pay any tax due on or before the due date.
3. Preparing or filing a fraudulent income tax return.

USE OF FEDERAL INCOME TAX INFORMATION

All amounts reported from the Federal Form 1040, 1040A and 1040EZ as well as those reported on

Form RI-1040 are subject to verification and audit by the Rhode Island Division of Taxation.

The Rhode Island Division of Taxation and the Internal Revenue Service exchange income tax information to verify the accuracy of the

information reported on Federal and Rhode Island income tax returns.

OTHER QUESTIONS

Obviously the foregoing general instructions and the specific instructions for completing the return

form(s) which follow will not answer all questions that may arise. If you have any doubt regarding completion of your return, further assistance may be obtained at the Division of Taxation, One Capitol Hill, Providence RI 02908-5800 or by calling taxpayer assistance at (401) 222-1040.

2001 INSTRUCTIONS FOR FILING RHODE ISLAND FORM RI-1040NR

Specific Instructions

If the name or address shown of the return is incorrect, print or type any necessary correction on the return. If you did not receive the booklet and pre-addressed return, please complete the identification portion of the return, including the city or town of legal residence.

Electoral System Contribution

You may designate a contribution of five dollars (\$5) or ten dollars (\$10) if married and filing a joint return, to the account for the public financing of the electoral system. The first two dollars (\$2) or four dollars (\$4) if married and filing a joint return, up to a total of two hundred thousand dollars (\$200,000) collectively for all parties and the nonpartisan account, shall be allocated only to political parties which at the preceding general election, nominated a candidate for governor and such candidate polled at least 5 percent of the entire vote cast in the state for governor. The remaining funds shall be allocated for the public financing of campaigns for governor.

Electoral system Contribution will NOT increase your tax liability or reduce your refund.

Designation of Political Party or Nonpartisan General account

Make only one designation, either by naming a political party, or by checking the box for the nonpartisan general account. If you designate:

1. a political party which did not receive at least five (5) percent of the entire vote for Governor in the preceding general election,
 2. a non-existent political party,
 3. a particular office,
 4. an individual officeholder, or political figure or
 5. a national party which is not a state party;
- your electoral system contribution will be credited to the nonpartisan general account. If you designate more than one political party or a political party and also the nonpartisan general account, your contribution will be credited to the first political party named.

Filing Status

Check the appropriate box to indicate your filing status. Generally your filing status for Rhode Island income tax purposes is the same as for Federal income tax purposes.

Line 1 – Federal Adjusted Gross Income

Enter your federal adjusted gross income from Federal Form 1040, line 33; 1040A, line 19; 1040EZ, line 4, telefile item I.

Line 2 – Modifications

Enter your net modifications from schedule I, line 25. Schedule I is found on page 2 of Form RI-

1040NR and is discussed further in these instructions.

Line 3 – Modified Federal Adjusted Gross Income

Determine your modified federal adjusted gross income by combining the amount on line 2 with the amount on line 1.

Line 4 – Federal Deductions

Enter the amount of deductions claimed on your Federal Form 1040, line 36; 1040A, line 22; 1040EZ, Line 5; telefile item J (first box). However, if you have claimed modification to adjusted gross income, you may need to recalculate your deductions based on your modified federal adjusted gross income.

Line 5

Subtract line 4 from line 3.

Line 6 – Federal Exemption Amount

Enter amount of exemptions claimed on Federal Form 1040, line 38; 1040A, line 24; 1040EZ enter zero; Telefile item J (second box). However, if you have claimed modification to adjusted gross income, you may need to recalculate your exemptions based on your modified federal adjusted gross income.

Line 7 – Rhode Island Taxable Income

Subtract line 6 from line 5.

Line 8 – Rhode Island Income Tax

Check the box for RI Tax Table or RI Tax Rate Schedule, Rhode Island Schedule D or RI Schedule J to indicate the method used to calculate the Rhode Island Income tax. Check only one box.

Line 9 – Rhode Island Alternative Minimum Tax

If you are reporting an alternative minimum tax on your federal income tax return, you must complete form RI-6251 and enter the amount from line 10 on Form RI-1040NR, page 1, line 9. Attach a copy of Form RI-6251 to your RI-1040NR. However, if you have claimed modifications to federal adjusted gross income, you may need to recalculate your federal alternative minimum tax based on your modified federal adjusted gross income. If you did not report a federal alternative minimum tax, but a federal alternative minimum tax would be required based on your modified federal adjusted gross income, you must calculate a federal alternative minimum tax for Rhode Island purposes.

Line 10 – Total Rhode Island Income Tax

Add lines 8 and 9

Line 11 – Rhode Island Percentage of Allowable Federal Credits

Enter the amount of allowable federal credits from page 2, schedule II, line 34.

Line 12 – Rhode Island Tax After Allowable Federal Credits – Before Allocation

Subtract line 11 from line 10. If zero or less enter zero.

Line 13 – Rhode Island Allocated Income Tax

If all your income is from Rhode Island, check the first box and enter the amount from line 12 on this line.

If you are a non-resident with income from outside Rhode Island, you should complete page 5, schedule III and enter the result on this line. Also check the second box.

If you are a part-year resident with income from outside Rhode Island, you should complete page 7, schedule V and enter the result on this line. Also check the third box.

Line 14 – Other Rhode Island Credits

Enter amount of other Rhode Island credits and list the form number on line 14. Attach a copy of the appropriate credit form to your RI-1040NR. A listing and a description of the various Rhode Island credits are available in the general instructions.

Line 15 – Total Rhode Island Income Tax – After Rhode Island Credits

Subtract the amount on line 14 from the amount on line 13. If zero or less, enter zero.

Line 16 – Rhode Island Checkoff Contributions

Enter amount of checkoff contributions from page 2, Schedule IV, line 35G. An explanation of each checkoff contribution is contained later in these instructions. These checkoff contributions will increase your tax due or reduce your refund.

Line 17 – Total Rhode Island Tax and Checkoff Contributions

Add lines 15 and 16. Also include any Use Tax from Form T-205P.

Line 18A – Rhode Island Income Tax Withheld

Enter total amount of Rhode Island 2001 income tax withheld. (Attach state copy of all forms W-2, 1099s, etc. to the front of the return) Credit for Rhode Island income tax withheld will be allowed only for those amounts supported by attached W-2s, 1099s, etc.

Line 18B – 2001 Estimated Payments and Amount Applied from 2000 return

Enter the amount of estimated payments on 2001 Form RI-1040ES and the amount applied from 2000 your return.

Line 18C – Non-resident Withholding on Real Estate Sales in 2001.

Enter the amount of Rhode Island income tax withheld on sales of real estate located in Rhode Island.

Line 18D – Other Payments

Enter any other payments, including advance payments made with your application for an automatic extension of time to file (Form RI-4868). Attach a copy of Form RI-4868 and check the Box on the face of the RI-1040NR to the right of line 18.

Line 18E – Total Payments and Credits

Add lines 18A, 18B, 18C and 18D.

Line 19 – Balance Due

If the amount on line 17 is greater than the amount of line 18E, SUBTRACT line 18E from line 17 and enter the balance due on line 19. This is the amount you owe. This amount is payable in full with your return. Complete Form RI-1040V. Send payment and Form RI-1040V with your return. An amount due of less than one dollar (\$1) need not be paid.

If you owe underestimating interest, complete Form RI-2210 and indicate the amount of interest due in the space provided on line 19. Add the interest to the amount due, enter the total on line 19 and include the total amount due with your return.

Line 20 – Overpayment

If the amount on line 18E is greater than the amount on line 17 then subtract line 17 from line 18E and enter the overpayment on line 20.

Line 21 – Refund

Enter the amount of the overpayment on line 20 that is to be refunded.

Line 22 Overpayment to be Applied to 2002

Enter the amount of overpayment on line 20, which is to be applied to your 2002 estimated tax. (See General Instructions)

Schedule I – Modification to Federal Adjusted Gross Income

Line 23 – Modifications Increasing Federal Adjusted Gross Income

Line 23A – Enter income from obligations of any state or its political subdivision, other than Rhode Island.

Line 23B – Other Modifications

Enter the amount of other adjustments increasing federal adjusted gross income (attach explanation). These may include:

1. Rhode Island fiduciary adjustment as beneficiary of an estate or trust under Section 44-30-17;
2. Income distributed to a resident beneficiary of a trust which was previously taxed to the grantor of the trust for federal income tax purposes but was not taxable as investment income prior to the amendment of Section 44-28-7(d);
3. Interest on indebtedness incurred or continued to purchase or carry obligations or securities the income of which is exempt from Rhode Island personal income tax, to the extent such interest has been deducted in determining federal adjusted gross income or taxable income;
4. Family Education Accounts

Line 23C – Total Modifications Increasing Federal Adjusted Gross Income

Add lines 23A and 23B

Line 24 – Modifications Decreasing Federal Adjusted Gross Income

Line 24A – Enter income from obligations of the United States Government to the extent included in adjusted gross income for federal tax purposes but exempt for state purposes. Example – US Government Series E bond interest. Taxpayers claiming these modifications must submit a schedule showing the source and amount of income claimed to be exempt.

Line 24B – Other Modifications

These may include:

1. Rhode Island fiduciary adjustment as beneficiary of an estate or trust under Section 44-30-17;
2. Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States to the extent included in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States;
3. Elective deduction for new research and development facilities. (Attach form RI-1040RD);
4. Railroad Retirement benefits included in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States;
5. Qualifying investment in a certified venture capital partnership;
6. Family Education Accounts – Enter amount of modification decreasing federal AGI from RI-1040FEA;
7. Exemptions from tax on profit or gain for writers, composers and artists residing within a section of the defined Economic Development Zone within the cities of Pawtucket & Providence and the Town of Westerly and creating artistic works while a resident of the Zone. Taxpayer claiming these modifications must submit a schedule showing the source and amount of income claimed to be exempt.

Line 24C – Total Modifications Decreasing Federal Adjusted Gross Income

Add lines 24A and 24B and enter as a negative number.

Line 25 – Net Modifications

Combine lines 23C and 24C (Enter here and on RI-1040NR, page 1, line 2).

Schedule II – Allowable Federal Credits

Line 26 – Rhode Island Income Tax

Enter the amount from Form RI-1040NR, page 1, line 10.

Line 27 – Foreign Tax Credit

Enter the amount from Federal Form 1040, line 43.

Line 28 – Credit for Child and Dependent Care Expenses

Enter the amount from Federal Form 1040 line, 44 or 1040A, line 27.

Line 29 – Credit for Elderly or the Disabled

Enter the amount from Federal Form 1040, line 45 or 1040A, line 28.

Line 30 – General Business Credit(s)

Enter the amount of credit from federal forms 3800, 8396 and 8801 – including mortgage interest credit, credit for prior year minimum tax, empowerment zone employment credit and qualified electric vehicle credit from Federal Form 1040, line 50.

Line 31 – Earned Income Credit

Enter the amount from Federal Form 1040, line 61a; 1040A, line 39a; 1040EZ, line 9a or federal telefile item L (second box).

Line 32 – Total allowable Federal Credits

Add lines 27, 28, 29, 30 and 31.

Line 33 – Multiply the amount on line 32 by 25.5%

Line 34 Maximum Credit

Enter the amount from line 26 or 33, whichever is less. Enter here and on form RI-1040NR, page 1, line 11.

Schedule III – Nonresident Tax Calculation

Part 1 – Allocation & Tax Worksheet

This worksheet is located on page 5, Form RI-1040NR and is to be completed by full year nonresidents. – Part-year residents complete schedule V on page 7.

Lines 1 through 10 **Column A –**

Line 1 – Wages, Salaries, Tips, etc.

Enter the amount of your total wages, salaries, commissions, tips, etc. reported on your federal return which were received for services performed in Rhode Island.

Compensation earned partly within and partly without Rhode Island – If total wage and salary income was earned partly within and partly without Rhode Island and your employer does not separately report the amount of earnings in Rhode Island, determine the amount allocable to Rhode

Island by completing schedule III, part 2 on page 6 or attaching a separate schedule setting out how such allocation was made.

The amount allocable to Rhode Island is that portion of your wage and salary income which the number of days worked in Rhode Island bears to the total number of days (exclusive of nonworking days, such as Saturday, Sundays, holidays, sick leave, vacation, etc.) employed both within and without the state during the year.

If your compensation subject to allocation depends entirely on volume of business transacted, as in the case of a salesman working on commission, do not use schedule III, part 2. In this event, the amount of compensation allocable to Rhode Island is that portion of the compensation included in Column B, line 1 which the volume of business transacted inside the state bears to the total volume of business transacted both inside and outside the state. The determining factor in ascertaining where business is transacted is the location where the services or sales activities were actually performed. Attach a schedule to your return showing the computation of the allocation to Rhode Island of compensation based on volume of business transacted. If your personal service compensation is allocated on a basis other than those covered in the preceding two paragraphs, please attach a separate schedule showing complete details.

Line 2, Column A – Interest and Dividends

Enter the amount of interest and dividends included in federal income, which are derived from Rhode Island sources.

Line 3, Column A – Business Income

Enter the amount of net profit (or loss) from a business or profession carried on in Rhode Island.

If the business or profession is carried on both within and without Rhode island and accounts clearly reflecting income from Rhode Island operations are maintained, enter the net profit (or loss) from business carried on in Rhode Island. If your Rhode Island business income is not separate and distinct from that of other states you should use the uniform division of income formula to determine your Rhode Island business income. This involves the construction of a three-factor formula, which is applied against your total business income to determine the income allocable to Rhode Island. The three factors are:

1. Property in Rhode Island to property everywhere,
2. Payroll in Rhode Island to payroll everywhere, and
3. sales or services in Rhode Island to sales or services everywhere.

Add the result of these three factors and divide by three or the number of factors. The resulting figure is the percent to be applied against the amount of total business income to determine the amount derived from Rhode Island sources. Complete schedule III, part 3, which is found on page 6. If an approved alternative method of allocation is used, attach schedule.

Line 4, Column A – Sale or Exchange of Property

Capital gain (or loss) – Enter the net capital gain (or loss) determined in accordance with applicable federal provisions for determining capital gains and losses. Include on this line only transactions resulting from property located in Rhode Island.

Capital transactions from Rhode Island sources include capital gains or losses from real or personal property having an actual situs within Rhode Island whether or not connected with a trade or business. Capital gains or losses from stocks, bonds, and other intangible personal property used in or connected with a business, trade or occupation that is carried on within Rhode Island are subject to Rhode Island income tax. Also to be included is your share of any capital gain or loss derived from Rhode Island sources of a partnership of which you are a member, or an estate or trust of which you are a beneficiary.

NOTE:

If any capital gains or losses are from business property (other than real property) of a business carried on both within and without Rhode Island, apply the applicable business percentage. The federal basis of property is to be used in computing Rhode Island capital gains or losses.

Non-capital Assets -

Enter the gain or loss from the sale or exchange of non-capital assets, which pertain to your Rhode Island transactions by applying to them the appropriate federal provision for determining gains or losses from the sale or exchange of other than capital assets.

Non-capital transactions from Rhode Island are those non-capital transactions reported on your federal return which pertain to property used in or connected with a trade, business, profession or occupation carried on in Rhode Island. Also to be included in your share of any non-capital gain or loss is any such gain or loss from (1) a partnership of which you are a member or (2) an estate or trust of which you are a beneficiary. If any transactions involve property (other than real property) of a business carried on both within and without Rhode Island, apply the business allocation percentage applicable. In all cases the federal basis of property is to be used for computing the Rhode Island gain or loss.

Line 5, Column A – Pension and Annuities, Rents, Royalties, Etc.

Enter that portion of rent and royalty income derived from or connected with Rhode Island sources. Include rents and royalties from:

1. Real property situated in Rhode Island whether or not used in or connected with a business
2. Tangible personal property not used in a business if such property has an actual situs in Rhode Island and
3. Tangible and intangible personal property used in or connected with a business, trade, profession or occupation carried on in Rhode Island.

NOTE:

If a business is carried on both within and without Rhode Island, the business allocation percentage should be applied to items included above. However, no allocation applies to income from real property. Income from real property is 100% includable if it is located in Rhode Island or it is entirely excluded if located outside Rhode Island.

Partnership Income –

Each partner must report his share of the partnership income. Include your share of the ordinary income of the partnership, joint venture, or the like, whose taxable year ends within or with the year covered by your return, which is derived from Rhode Island sources. If your distributive share of partnership income includes any items of income taxable to a nonresident (such as capital gains), such items must be included separately. Attach schedule.

Income from Estates or Trusts –

Enter the portion of your share of estate or trust income, which is derived from Rhode Island sources. If your share includes any specific items of trust or estate income taxable to a nonresident, you must separately describe the nature of the income.

Line 6, Column A – Farm Income

The above instructions for reporting business income (line 3) including the instructions for reporting when business is carried on both within and without Rhode Island also apply to reporting farm income.

Line 7, Column A – Miscellaneous income

Enter the portion of this income that is derived from or connected with Rhode Island sources.

Line 8 – Total, Column A

Add lines 1, 2, 3, 4, 5, 6 and 7.

Line 9, Column A – Adjustments

Enter amount from Federal Form 1040 line 32 or Federal Form 1040A, line 18 applicable to Rhode Island income. If an adjustment item relates to wage or salary income earned partly within and partly without Rhode Island or to income from a business which is carried on both within and without Rhode Island, the adjustment item must be allocated to Rhode Island on the same basis as the income to which it relates. Attach Schedule.

Line 10, Column A – Adjusted Gross Income

Subtract line 9 from line 8.

Line 11, Column A – Modifications to Federal Adjusted Gross Income

Enter the amount of modifications to federal adjusted gross income attributable to RI source income.

Line 12, Column A – Modified Rhode Island Source Income

Combine amounts on lines 10, column A and 11, column A.

Lines 1 through 7 Column B –

Enter in Column B the total amounts reported on your federal return for each of the applicable items listed in Column B.

Line 8, Column B – Total

Add lines 1, 2, 3, 4, 5, 6, and 7 in column B.

Line 9, Column B – Adjustments

Enter adjustments from Federal Form 1040, line 32 or Federal Form 1040A, line 18.

Line 10, Column B – Adjusted Gross Income

Subtract line 9, column B from line 8, column B

Line 11, Column B – Net Modifications to Federal Adjusted Gross Income

Enter amount from RI-1040NR, page 1, line 2.

Line 12, Column B – Modified Federal Adjusted Gross Income

Combine amounts on lines 10, column B and 11 column B. Amount should equal amount on Form RI-1040NR, page 1, line 3.

Line 13 – Allocation Percentage

Divide amount on line 12, column A by amount on line 12, column B. If the amount on line 12, column A is greater than the amount on line 12, column B, enter 1.0000.

Line 14 – Rhode Island Tax After Credits – Before Allocation

Enter amount from RI-1040NR, page 1, line 13.

Line 15 – Rhode Island Tax

Multiply the amount on line 14 by the percentage on line 13. Enter here and on RI-1040NR, page 1, line 13.

Part 2 – Allocation of Wage and Salary income to Rhode Island

Line 1 – Wages, Salaries, Tips, Etc.

Enter total amount of wages, salaries, tips, commissions, etc. reported on your federal return.

Line 2 – Total Number of Days

Enter the total number of days in the year (for a calendar year enter 365 days or in the case of a leap year 366 days)

Line 3 – Sick Leave

Enter the total number of days you were absent from work due to illness.

Line 4 – Vacation

Enter the total number of days you were absent from work on vacation,

Line 5 – Other Non-working Days

Enter the total number of other non-working days, such as Saturdays and Sundays.

Line 6 – Total Number of non-working Days

Add lines 3, 4 and 5.

Line 7 – Total Days Worked in Year

Subtract line 6 from line 2.

Line 8 – Total Days Worked Outside Rhode Island.

Enter number of total days worked outside Rhode Island.

Line 9- Days Worked in Rhode Island

Subtract line 8 from line 7.

Line 10 – Allocation Percentage

Divide line 9 by line 7.

Line 11 – Rhode Island amount

Multiply amount on line 1 by percentage on line 10. Enter here and on Form RI-1040NR, page 5, Schedule III, line 1, column A.

Part 3 – Business Allocation Percentage

Line 1 – Real Property Owned

Enter in column A, the amount of real property owned and located in Rhode Island. Enter in Column B, the amount of property owned everywhere.

Line 2 – Real Property Rented from Others

Enter in Column A, rental expense times 8 for real and personal property located in Rhode Island. Enter in Column B, rental expense times 8 for real and personal property located everywhere.

Line 3 – Tangible Property Owned

Enter in Column A, the amount of tangible personal property located in Rhode Island. Enter in Column B, the amount of tangible personal property located everywhere.

Line 4 – Total Property

Enter in Column A, the total of Column A, lines 1, 2 and 3. Enter in Column B, the total of Column B, lines 1, 2 and 3. Then divide the amount in Column A by the amount in Column B and enter the resulting percentage in Column C.

Line 5 – Wages, Salaries

Enter in Column A, the amount paid for wages, salaries, and other personal service compensation in Rhode Island during the year. Enter in Column B, the amount paid for wages, salaries, and other personal service compensation everywhere during the year. Then divide the amount in Column A by the amount in Column B and enter the resulting percentage in Column C.

Line 6 – Gross Sales of Merchandise and Charges for Services

Enter in Column A, the amount of gross sales of merchandise and charges for services in Rhode Island during the year. Enter in Column B, the amount of gross sales of merchandise and charges for services everywhere during the year. Then divide the amount in Column A by the amount in Column B and enter the resulting percentage in Column C.

Line 7 – Total Percentages

Add percentages in Column C, lines 4, 5 and 6.

Line 8 – Business Allocation Percentage

Divide line 7 by three or the number of percentages on lines 4, 5 and 6. Enter here and on lines 9, 10, 11, 12 and 13, Column B.

Lines 9 through 13

Enter the line number and the amount of each item of business income (or loss) reported on RI-1040NR, page 5, schedule III, part 1, column B required to be allocated and multiply by the allocation percentage to determine Rhode Island amount. Then enter the amounts from column C on the corresponding lines on Form RI-1040NR, page 5, schedule III, part 1, column A.

Schedule IV – Rhode Island Checkoff Contributions

NOTE: These checkoff contributions will increase your balance due or reduce your refund. All checkoff contributions are voluntary

Line 35A – Drug Program

A contribution to the Drug Program may be made by checking the appropriate box or entering the amount you want to contribute. All such contributions are deposited as general revenues.

Line 35B – Olympic Contribution

A contribution to the U.S. Olympic Committee may be made in the amount of \$1.00 (\$2.00 if a joint return) by checking the appropriate box.

Line 35C – Rhode Island Organ Transplant fund

A contribution to the Rhode Island Organ Transplant Fund may be made by checking the appropriate box or entering the amount you want to contribute.

Line 35D – Rhode Island Council on the Arts

A contribution to the Rhode Island Council on the Arts appropriation may be made by checking the appropriate box or entering the amount you want to contribute. All such contributions are deposited as general revenues.

Line 35E – Rhode Island Non-game Wildlife Appropriation

A contribution to the Non-game Wildlife General appropriation may be made by checking the appropriate box or entering the amount you want to contribute. All such contributions are deposited as general revenues.

Line 35F – Childhood Disease Victims' Fund

A contribution to the Childhood Disease Victims' Fund may be made by checking the appropriate box or entering the amount you want to contribute.

Line 35G – Total Contributions

Add lines 35A, 35B, 35C, 35D, 35E and 35F. Enter total on line 35G and RI-1040NR, page 1, line 16.

Rhode Island Schedule D

This form is to be used by taxpayers reporting capital gains or figuring their tax on Federal Form Schedule D and/or who, for federal income tax purposes, are reporting tax on lump-sum distributions; making parents' election to report child's interest and dividends or tax for children under the age 14 who have investment income and/or reporting recapture of federal tax credits.

Part 1 – Tax Computation Using Maximum Capital Gains Rates

Line 1 - Rhode Island Taxable Income

Enter the amount from Form RI-1040NR, page 1, line 7.

Line 2 – 8% Capital Gains

Enter in column A the amount from Federal Schedule D, line 30 or Federal Schedule D Tax Worksheet, line 18. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

Line 3 – 10% Capital Gains

Enter in column A the amount from Federal Schedule D line 32 or Federal Schedule D Tax Worksheet, line 20. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

Line 4 – 20% Capital Gains

Enter in column A the amount from Federal Schedule D, line 36 or Federal Schedule D Tax Worksheet, line 24. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

Line 5 – 25% Capital Gains

Enter in column A the amount from Federal Schedule D Tax Worksheet, line 30. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

Line 6 – 28% Capital Gains

Enter in column A the amount from Federal Schedule D Tax Worksheet, line 33. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

Line 7- Total Capital Gains

Add the amounts in column A, lines 2, 3, 4, 5 and 6. Enter the total in column A, line 7.

Line 8 – Rhode Island Tax on Capital Gains

Add the amounts in column C, lines 2, 3, 4, 5 and 6. Enter the total in column C, line 8.

Line 9 – Rhode Island Ordinary Income.

Subtract the amount in column A, line 7 from the amount in column A, line 1. Enter the result in column A, line 9.

Line 10 – Rhode Island Tax on Ordinary Income

Calculate the Rhode Island income tax on ordinary income on line 9, column A using Rhode Island Tax Table or Rhode Island Tax Rate Schedules. Enter the result in column C, line 10.

Line 11 – Rhode Island Tax on Capital Gain Income and Ordinary Income

Add the amounts in column C, lines 8 and 10. Enter the total in column C, line 11.

Line 12 – Rhode Island Tax on the Amount on Line 1

Use the RI Tax Table or RI Tax Rate Schedules to calculate the Rhode Island tax on the amount on line 1.

Line 13 – Total Rhode Island Income Tax

Enter the smaller of lines 11 or 12.

Part 2 – Tax on Lump-Sum Distributions (FOR TAXPAYERS WHO FILED FEDERAL FORM 4972)

Line 14 – Federal Form 4972, Line 7

Enter the amount from Federal Form 4972, line 30 in column A. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

Part 3 – Parents' Election to Report Child's Interest and Dividends or Tax for Children Under Age 14 Who Have Investment Income (FOR TAXPAYERS WHO FILED FEDERAL FORM 8814 or 8615)

Line 15 – Federal Form 8814, Line 9

Enter the amount from Federal Form 8814, line 9 in column A. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

Line 16 – Federal Form 8615, Line 18

Enter the amount from Federal Form 8615, line 18 in column A. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

Line 17 – Add line 15, column C and line 16, column C.

Part 4 – Recapture of Federal Tax Credits (FOR TAXPAYERS WHO HAVE A RECAPTURE OF FEDERAL TAX CREDITS INCLUDED IN THEIR TAX)

Line 18 – Recapture of Federal Tax Credits

Enter in column A the amount of recaptured federal tax credits previously used to reduce your Rhode Island tax that are included in your federal tax liability. Then multiply the amount in column A by the percentage in column B and enter the product in column C.

Part 5 – Total of Parts 1,2,3 and 4

Line 19 – Add the amounts from part 1, line 13; part 2, line 14, column C; part 3, line 17, column C and part 4, line 18, column C. Enter the total here and on Form RI-1040NR, page 1, line 8 and check the RI Schedule D box.

Rhode Island Alternative Minimum Tax, Form RI-6251

Line 1 – Federal Tentative Alternative Minimum Tax

Enter the federal alternative minimum tax from Federal Form 6251, line 26.

Line 2 – Rhode Island Tentative Alternative Minimum Tax

Multiply the amount on line 1 by 25.5%.

Line 3 – Rhode Island Income Tax

Enter the amount from RI-1040NR, page 1, line 8.

Line 4 – Tax on Lump-Sum Distributions

Enter the amount from Federal Form 4972, line 30.

Line 5 – Foreign Tax Credit

Enter the amount from Federal Form 1040, line 43.

Line 6 – Add lines 4 and 5.

Line 7 – The Rhode Island percentage for tax year 2001 is 25.5%.

Line 8 - Multiply the amount on line 6 by the percentage on line 7.

Line 9 – Subtract line 8 from line 3.

Line 10 – Rhode Island Alternative Minimum Tax

Subtract line 9 from line 2 (if zero or less, enter zero). Enter here and on Rhode Island Form RI-1040NR, page 1, line 9.

Rhode Island Schedule J

If you had income from farming and you determined your federal tax using Federal Schedule J, your tax may be less if you choose to figure it using income averaging on Rhode Island Schedule J.

Line 11 – Enter the amount from line 3 on Federal Schedule J.

Line 12 – Enter the Rhode Island tax on the amount on line 11. Use the Rhode Island Tax Table, Rhode Island Tax Rate Schedule or Rhode Island Schedule D, whichever applies.

Line 13 – Enter the amount from Federal Schedule J, line 8.

Line 14 – Enter the amount from Federal Schedule J, line 12.

Line 15 – Enter the amount from Federal Schedule J, line 16.

Line 16 – Add lines 13, 14 and 15.

Line 17 – Multiply line 16 by 25.5%.

Line 18 – Add lines 12 and 17.

Line 19 – Enter the amount from Federal Schedule J, line 21.

Line 20 – Multiply line 19 by 25.5%.

Line 21 – Subtract line 20 from line 18.

Line 22 Enter amount from RI-schedule D, part 2, line 16.

Line 23 Enter amount from RI-schedule D, part 3, line 17.

Line 24 Enter amount from RI-schedule D, part 4, line 18.

Line 25 – Add lines 22, 23 and 24.

Line 26 – Total tax

Add lines 21 and 25 – enter here and on RI-1040, page 1, line 8 and check the RI Schedule J box.

T-205P Individual Consumer's Use/Sales Tax Return

What is a Use Tax?

A Use Tax is a tax on the use of tangible personal property in a state where the property has not been subject to the sales tax. Rhode Island Use Tax applies when merchandise purchased outside of Rhode Island is brought into Rhode Island. Sales and use taxes are complementary taxes and are assessed at the same rate. In Rhode Island the sales and use tax rate is 7%.

The Rhode Island Use Tax is most often due when merchandise subject to the sales tax in Rhode Island is purchased from an out-of-state vendor who did not collect the Rhode Island tax and the property is subsequently used in this state. Common examples of transactions from which use tax liability may arise are mail order catalog sales, toll-free "800" purchases and purchases made over the Internet.

What is Taxable?

The same items that are subject to the Rhode Island Sales Tax are subject to the use tax. Some typical examples of taxable items are jewelry, computers and electronic equipment. Clothing and footwear are not taxable.

How do I file and pay?

To report use tax, please complete the Rhode Island Individual Consumer's Use/Sales Tax Return (T-205P) found on page 4 of Form RI-1040NR. Enter the use tax in the space provided on Form RI-1040NR, page 1, line 17 and add the use tax amount to the total tax reported on line 17.

Form T-205P Instructions

Line 27 - Purchases Subject to Use/Sales Tax

Enter a description of the property purchased and the amount paid. If you need more space to list your taxable purchases, attach extra pages.

Line 28 – Total Sales Price

Enter the total sales price of the purchases reported on line 27.

Line 29 – Amount of Use Tax

Multiply the total purchases on line 28 by the Rhode Island Use Tax rate of 7%.

Line 30 – Credit for Sales Tax Paid in Other States

Enter the amount of sales tax paid to other states on the purchases listed on line 27. The credit for sales tax paid on each item is limited to 7% (the Rhode Island Use Tax Rate).

Line 31 – Total Use Tax Due

Subtract line 30 from line 29. Enter here and in the space provided on Form RI-1040NR, page 1, line 17. Add this amount to the tax balance.

Schedule V – Part-Year Resident Tax Calculation

This schedule is only to be completed by part year residents – full year nonresidents complete schedule III on page 5 of RI-1040NR.

Part 1 – Allocation and Tax Worksheet

Column A – Income From Federal Return

Enter in column A, lines 1 through 10, the total amounts of income and adjustments as reported on your federal income tax return.

Enter in column A, line 11, the total net modifications to federal adjusted gross income from RI-1040NR, page 1, line 2.

Column B – Rhode Island Resident Period

Enter in column B, lines 1 through 10, all income earned and adjustments reported in column A during the period you lived in Rhode Island. This includes income earned both within and without Rhode Island.

Enter in column B, line 11, the modifications to federal adjusted gross income attributable to the income reported in column B.

Column C – Rhode Island **Nonresident** Period

Enter in column C, lines 1 through 10, all income earned and adjustments reported in column A during the period you were **not** living in Rhode Island. This includes income earned both within and without Rhode Island.

Enter in column C, line 11, the modifications to federal adjusted gross income attributable to the income reported in column C.

Column D – Rhode Island **Nonresident** Period

Enter in column D, lines 1 through 10, all amounts of income and adjustments reported in column C (nonresident period) derived from or connected with Rhode Island sources.

Enter in column D, line 11, the modifications to federal adjusted gross income attributable to the income reported in column D.

Line 12 – Modified Federal AGI

Combine the amounts on lines 10 and 11.

Line 13 – Total Rhode Island Income

Add the amounts on line 10, column B and line 10, column D.

Line 14 – Allocation Percentage

Divide the amount on line 13 by the amount on Line 12. If line 13 is greater than line 12, enter 1.0000.

Line 15 – Rhode Island Tax After Credits –Before Allocation

Enter the amount from RI-1040NR, page 1, line 12.

Line 16 – Rhode Island Income Tax

Multiply the amount on line 15 by the percentage on line 14. If you have income earned in another state while you were a resident of Rhode Island, complete part 2 on page 8, otherwise enter here

and on RI-1040NR, page 1, line 13 and check the part-year resident box.

Part 2 - Credit for Income Taxes Paid to Another State and Tax Worksheet

Line 17 – Rhode Island Income Tax

Enter the amount of Rhode Island income tax from RI-1040NR, page 7, schedule V, part 1, line 16.

Line 18 – Income Taxed by Other States, While a Rhode Island Resident

Enter the amount of income taxed by another state while a Rhode Island resident included in the amount on page 7, schedule V, part 1, line 10, column B.

Line 19 – Total Rhode Island Income

Enter the Rhode Island income reported on page 7, schedule V, part 1, line 13.

Line 20 – Divide the amount on line 18 by the amount on line 19.

Line 21 – Multiply the amount on line 17 by the percentage on line 20.

Line 22 – Tax Due and Paid to Other State.

Enter the amount of income tax liability paid to the other state. Also, enter the name of the other state in the space provided.

Line 23 – Enter the amount from line 18 above.

Line 24 – Other State's Adjusted Gross Income

Enter the amount of total adjusted gross income reported on the income tax return filed with the other state. Attach a completed signed copy of the return filed with the other state.

Line 25 – Divide the amount on line 23 by the amount on line 24.

Line 26 – Multiply the amount on line 22 by the percentage on line 25.

Line 27 – Maximum Tax Credit

Enter the amount on line 17, 21 or 26 whichever is the smallest.

Line 28 – Rhode Island Income Tax

Subtract the amount on line 27 from the amount on line 17. Enter here and on Form RI-1040NR, page 1, line 13 and check the part-year resident box.

NOTE: If, while a resident, you had income taxed by two or more other states, a separate computation should be made on a multiple state credit schedule (RI-1040NRMU). This schedule can be obtained by calling the Rhode Island Division of Taxation at (401) 222-1040.

RI-1040NR

Rhode Island Nonresident Individual Income Tax Return 2001

(To be used by nonresident and part-year resident taxpayers)

Name and Address please print or type	First Name	Initial	Last Name	Your Social Security Number
	Spouse's First Name	Initial	Last Name	Spouse's Social Security Number
	Present Home Address (Number and Street, Including Apartment No. or Rural Route)			Daytime Telephone Number ()
	City, Town or Post Office	State	Zip Code	City or Town of Legal Residence

Electoral Contribution \$5.00 (\$10.00 if a joint return) See instructions. Yes If you wish the 1st \$2.00 (\$4.00 if a joint return) to be paid to a specific party, check the 1st box and fill in the name of the political party. If you wish it to be paid to a nonpartisan general account, check 2nd box. No

Filing Status Check only one box 1 Single 2 Married filing joint return (even if only one had income) 3 Married filing separate return 4 Head of Household (with qualifying person) 5 Qualifying widow(er) with dependent child

Income

1. Federal AGI (Adjusted Gross Income) - Federal Form 1040, line 33; 1040A, line 19; 1040 EZ, line 4; Telefile item I.....	1.		
2. Net modifications to Federal AGI (If no modifications, enter zero on this line) - page 2, schedule I, line 25.....	2.		
3. Modified Federal AGI - combine lines 1 and 2 - (add net increases or subtract net decreases).....	3.		
4. Federal deductions - Federal Form 1040, line 36; 1040A, line 22; 1040EZ, line 5; Telefile item J (first box).....	4.		
5. Subtract line 4 from line 3.....	5.		
6. Federal exemption amount - Federal Form 1040, line 38; 1040A, line 24; 1040EZ enter zero; Telefile item J (second box).....	6.		
7. RI taxable income - subtract line 6 from line 5.....	7.		

Tax and Credits

8. RI income tax <input checked="" type="checkbox"/> RI Tax Table or RI Tax Rate Schedules <input type="checkbox"/> RI Schedule D <input type="checkbox"/> RI Schedule J	8.		
9. RI alternative minimum tax - Form RI-6251, page 4, line 10.....	9.		
10. Total RI income tax to be allocated - add lines 8 and 9.....	10.		
11. RI percentage of allowable Federal credits - from page 2, schedule II, line 34.....	11.		
12. RI tax after allowable Federal credits - before allocation - subtract line 11 from line 10 (not less than zero).....	12.		

Allocation

13. RI allocated income tax - (check only one)
 All income is from RI, enter amount from line 12 on this line.
 Nonresident with income from outside RI, complete page 5, schedule III and enter result on this line.
 Part-year resident with income from outside RI, complete page 7, schedule V and enter result on this line.

Credits

14. Other RI credits - indicate credit form numbers _____ attach forms.....

15. Total RI income tax after RI credits - subtract line 14 from line 13 (not less than zero).....

16. RI checkoff contributions - page 2, schedule IV, line 35G.....
 (NOTE: These contributions will increase your balance due or reduce your refund)

17. **Total RI tax and checkoff contributions** - add lines 15, 16 and Use/Sales tax due \$ _____ from RI-T205P, page 4, line 31.....

Payments

18. A. RI 2001 income tax withheld (Please attach forms - W-2, 1099, etc.).....	18A.		
B. 2001 estimated tax payments and amounts applied from 2000 return.....	18B.		
C. Nonresident withholding on real estate sales in 2001.....	18C.		
D. Other Payments.....	18D.		
E. Total payments and credits - add lines 18A, 18B, 18C, and 18D.....	18E.		

Check if extension is attached

Amount Due

19. If line 17 is larger than line 18E, SUBTRACT line 18E from line 17 - **This is the amount you owe. Complete RI-1040V.** ☹️
 Check if Form RI-2210 is attached - enter interest due \$ _____ or enter zero.....

Refund

20. If line 18E is larger than line 17, subtract line 17 from 18E - **This is the amount you overpaid** 😊
Mail refund returns to - RI Division of Taxation One Capitol Hill Providence, RI 02908-5806.....

21. Amount of overpayment to be refunded.....

22. Amount of overpayment to be applied to 2002 estimated tax.....

SCHEDULE I RI MODIFICATIONS TO FEDERAL AGI

2001

23.	A.	Modifications increasing Federal AGI - income from obligations of any state or its political subdivisions, other than RI (attach documentation).....	23A.				
	B.	Other modifications increasing Federal AGI (see instructions - attach documentation).....	23B.				
	C.	Total modifications increasing Federal AGI - add lines 23A and 23B.....	23C.				
24.	A.	Modifications decreasing Federal AGI - income from obligations of the U.S. government included in Federal AGI but exempt from state income taxes (attach documentation).....	24A.				
	B.	Other modifications decreasing Federal AGI (see instructions - attach documentation).....	24B.				
	C.	Total modifications decreasing Federal AGI - add lines 24A and 24B (enter as a negative amount).....	24C.	()	
25.	Net modifications to Federal AGI - combine lines 23C and 24C (Enter here and on page 1, line 2).....					25.	

SCHEDULE II ALLOWABLE FEDERAL CREDITS

26.	RI income tax to be allocated - page 1, line 10.....	26.		
27.	Foreign tax credit - Federal Form 1040, line 43.....	27.		
28.	Credit for child and dependent care expenses - Federal Form 1040, line 44; 1040A, line 27.....	28.		
29.	Credit for the elderly or the disabled - Federal Form 1040, line 45; 1040A, line 28.....	29.		
30.	General business credit(s); mortgage interest credit; credit for prior year minimum tax; empowerment zone employment credit; qualified electric vehicle credit - Federal Form 1040, line 50.....	30.		
31.	Federal earned income credit - Federal Form 1040, line 61a; 1040A, line 39a; 1040EZ, line 9a; Telefile item L (second box).....	31.		
32.	Total - add lines 27, 28, 29, 30 and 31.....	32.		
33.	Tentative allowable Federal credits - multiply line 32 by 25.5%.....	33.		
34.	Maximum credit (line 26 or 33 whichever is smaller) - Enter here and on page 1, line 11.....	34.		

SCHEDULE III ALLOCATION AND MODIFICATION FOR NONRESIDENTS is located on page 5
(Part-year residents complete page 7, schedule V)

SCHEDULE IV RI CHECKOFF CONTRIBUTIONS NOTE: contributions will increase your balance due or reduce your refund.

35.	A.	Drug Program account.....\$1.00 <input type="checkbox"/> \$5.00 <input type="checkbox"/> \$10.00 <input type="checkbox"/> Other <input type="checkbox"/> \$ _____	35A.		
	B.	Olympic Contribution \$1.00 (\$2.00 if a joint return)..... Yes <input type="checkbox"/> No <input type="checkbox"/>	35B.		
	C.	R.I. Organ Transplant Fund.....\$1.00 <input type="checkbox"/> \$5.00 <input type="checkbox"/> \$10.00 <input type="checkbox"/> Other <input type="checkbox"/> \$ _____	35C.		
	D.	R.I. Council on the Arts.....\$1.00 <input type="checkbox"/> \$5.00 <input type="checkbox"/> \$10.00 <input type="checkbox"/> Other <input type="checkbox"/> \$ _____	35D.		
	E.	R.I. Nongame Wildlife Appropriation.....\$1.00 <input type="checkbox"/> \$5.00 <input type="checkbox"/> \$10.00 <input type="checkbox"/> Other <input type="checkbox"/> \$ _____	35E.		
	F.	Childhood Disease Victims' Fund.....\$1.00 <input type="checkbox"/> \$5.00 <input type="checkbox"/> \$10.00 <input type="checkbox"/> Other <input type="checkbox"/> \$ _____	35F.		
	G.	Total Contributions - add lines 35A, 35B, 35C, 35D, 35E and 35F - Enter here and on page 1, line 16.....	35G.		

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct and complete.

Your Signature > Date	Spouse's Signature > Date
If you do not need forms mailed to you next year, check box. <input checked="" type="checkbox"/>	May the Division contact your preparer about this return? Yes <input type="checkbox"/> No <input type="checkbox"/>
PAID PREPARER'S SIGNATURE & ADDRESS	SSN, PTIN or EIN Telephone Number
()	

Name(s) shown on Form RI-1040NR

Your social security number

RHODE ISLAND SCHEDULE D

PART 1 TAX COMPUTATION USING MAXIMUM CAPITAL GAINS RATES

(FOR TAXPAYERS WHO FIGURE THEIR TAX ON FEDERAL FORM SCHEDULE D OR COMPLETING PARTS 2, 3 OR 4 BELOW)

Table with 4 columns: Description, Column A, Column B, Column C (col. A x col. B). Rows 1-13 detailing capital gains tax calculations.

IF YOU HAVE NO TAX REPORTED ON FEDERAL FORMS 4972, 8814, 8615 OR NO RECAPTURE OF FEDERAL TAX CREDITS, ENTER AMOUNT FROM LINE 13 ON LINE 19 BELOW. OTHERWISE, CONTINUE TO PARTS 2, 3, 4 AND 5.

PART 2 TAX ON LUMP-SUM DISTRIBUTIONS

(FOR TAXPAYERS WHO FILED FEDERAL FORM 4972)

Table with 4 columns: Description, Column A, Column B, Column C (col. A x col. B). Row 14: Federal Form 4972, line 30.

PART 3 PARENTS' ELECTION TO REPORT CHILD'S INTEREST AND DIVIDENDS OR TAX FOR CHILDREN UNDER AGE 14 WHO HAVE INVESTMENT INCOME

(FOR TAXPAYERS WHO FILED FEDERAL FORM 8814 OR 8615)

Table with 4 columns: Description, Column A, Column B, Column C (col. A x col. B). Rows 15-17: Federal Form 8814/8615 and total calculation.

PART 4 RECAPTURE OF FEDERAL TAX CREDITS

(FOR TAXPAYERS WHO HAVE A RECAPTURE OF FEDERAL TAX CREDITS INCLUDED IN THEIR TAX)

Table with 4 columns: Description, Column A, Column B, Column C (col. A x col. B). Row 18: Amount of recapture of Federal tax credits.

PART 5 TOTAL OF PARTS 1, 2, 3 AND 4

Table with 3 columns: Description, Column A, Column B. Row 19: Total calculation and instruction to enter amount on RI-1040NR.

Name(s) shown on Form RI-1040NR

Your social security number

RI-6251 RHODE ISLAND ALTERNATIVE MINIMUM TAX

(FOR TAXPAYERS WHO FILED A FEDERAL FORM 6251)

Table with 10 rows for RI-6251. Line 7 is highlighted with 25.5%.

RHODE ISLAND SCHEDULE J FARM INCOME AVERAGING

(FOR TAXPAYERS WHO FILED A FEDERAL SCHEDULE J)

Table with 26 rows for Rhode Island Schedule J. Lines 13-16, 19, 22-24, and 26 are highlighted.

T-205P INDIVIDUAL CONSUMER'S USE/SALES TAX RETURN

Table with 7 rows for T-205P. Line 27 is highlighted with TOTAL SALES PRICE.

Name(s) shown on Form RI-1040NR

Your Social Security Number

SCHEDULE III NONRESIDENT TAX CALCULATION

(This schedule is only to be completed by full year nonresidents - Part-year residents complete page 7, schedule V)

PART 1 ALLOCATION AND TAX WORKSHEET

		column A		column B	
		RHODE ISLAND		FEDERAL	
1. Wages, salaries, tips, etc. - Federal Form 1040 or 1040A, line 7; 1040EZ, line 1; Telefile item I.....	1.				
2. Interest and dividends - Federal Form 1040 or 1040A, lines 8a and 9; 1040EZ, line 2.....	2.				
3. Business income - Federal Form 1040, line 12.....	3.				
4. Sale or exchange of property - Federal Form 1040, lines 13 and 14; 1040A, line 10.....	4.				
5. Pension and annuities; rents and royalties, etc. - Federal Form 1040, lines 15b, 16b and 17; 1040A, lines 11b and 12b.....	5.				
6. Farm income - Federal Form 1040, line 18.....	6.				
7. Miscellaneous income - Federal Form 1040, lines 10, 11, 19, 20b and 21; 1040A, lines 13 and 14b; 1040EZ, line 3.....	7.				
8. Total - add lines 1, 2, 3, 4, 5, 6 and 7.....	8.				
9. Adjustments (attach schedule) - Federal Form 1040, line 32; 1040A, line 18.....	9.				
10. Adjusted gross income - subtract line 9 from line 8.....	10.				
11. Net modifications to Federal AGI.....	11.				
12. Modified Federal AGI - combine lines 10 and 11 Amount in column B should be equal to amount on RI-1040NR, page 1, line 3.....	12.				
13. Allocation - divide line 12, column A by line 12, column B (if line 12, column A is greater than line 12, column B enter 1.0000).....	13.			__ . __ __ __	
14. RI tax after allowable Federal credits - before allocation - RI-1040NR, page 1, line 12.....	14.				
15. RI income tax - multiply line 14 by line 13 - enter here and on RI-1040NR, page 1, line 13 and check the N onresident box.....	15.				

Name(s) shown on Form RI-1040NR

Your Social Security Number

PART 2 ALLOCATION OF WAGE AND SALARY INCOME TO RHODE ISLAND

NOTE: Use this schedule only if you worked for the same employer in more than one state and your wages or salary income has not been allocated on your W-2.

1. Wages, salaries, tips, etc.....	1.		
2. Total days in year.....	2.	365	days
3. Sick leave days.....	3.		days
4. Vacation days.....	4.		days
5. Other nonworking days (Saturdays, Sundays, holidays and etc.).....	5.		days
6. Total nonworking days - add lines 3, 4 and 5.....	6.		days
7. Total days worked in year - subtract line 6 from line 2.....	7.		days
8. Total days worked outside RI.....	8.		days
9. Days worked in RI - subtract line 8 from line 7.....	9.		days
10. Allocation - divide line 9 by 7.....	10.		
11. RI amount - multiply line 1 by line 10 - enter here and include on RI-1040NR, page 5, schedule III, line 1, column A.....	11.		

PART 3 BUSINESS ALLOCATION PERCENTAGE

	Column A RI amounts	Column B Total amounts	Column C (col. A ÷ col. B)
1. Real property owned.....	1.		
2. Real property rented from others (8 times annual net rental rate).....	2.		
3. Tangible personal property owned.....	3.		
4. Total property - add lines 1, 2 and 3 then divide column A by column B and enter in column C.....	4.		
5. Wages, salaries and other personal service compensation paid during the year - divide column A by column B and enter amount in column C.....	5.		
6. Gross sales of merchandise or charges for services during the year - divide column A by column B and enter amount in column C.....	6.		
7. Total of percentages in column C - add lines 4, 5 and 6.....	7.		
8. Business allocation percentage - divide line 7 by three or the number of percentages on lines 4, 5 and 6 Enter here and in column B below.....	8.		

Enter line number and amount of each item of business income (or loss) reported on RI-1040NR, page 5, schedule III, column B required to be allocated and multiply by allocation percentage to determine RI amount. Then enter amounts from column C on corresponding lines on RI-1040NR, page 5, schedule III, column A.

	Column A (income to be allocated)	Column B (from line 8 above)	Column C (col. A x col. B)
9. Line number from RI-1040NR, page 5, schedule III, column A - line _____	9.		
10. Line number from RI-1040NR, page 5, schedule III, column A - line _____	10.		
11. Line number from RI-1040NR, page 5, schedule III, column A - line _____	11.		
12. Line number from RI-1040NR, page 5, schedule III, column A - line _____	12.		
13. Line number from RI-1040NR, page 5, schedule III, column A - line _____	13.		

Name(s) shown on Form RI-1040NR

Your Social Security Number

SCHEDULE V PART-YEAR RESIDENT TAX CALCULATION

(This schedule is only to be completed by part-year residents. - Full year nonresidents complete page 5, schedule III)

A part-year resident is a person who changed his legal residence by moving into or moving out of RI at any time during the year 2001. If you are a part-year resident you should complete this schedule. If you did not earn any income outside the state of RI while you were living in RI complete part 1 below. If any of your income earned while you were living in RI was taxed by another state complete part 1, below, and page 8, part 2.

If at any time during the year you were not a legal resident of RI, **DO NOT COMPLETE THIS SCHEDULE.** Complete page 5, schedule III.

PART 1 ALLOCATION AND TAX WORKSHEET

Instructions

- Column A Enter in column A amounts of income and adjustments reported on your Federal income tax return.
- Column B Enter in column B the amount of income and adjustments from column A that you earned while you were a RI resident. This includes all your income earned inside and outside RI while you were a resident.
- Column C Enter in column C the amount of income you earned while you were a non-resident of RI. This includes all your income earned inside and outside of RI while you were a nonresident.
- Column D Enter in column D the amount of income from column C derived from or connected with RI sources while you were a nonresident of RI. RI source income includes, but is not limited to, services performed in RI, income from real or tangible property in RI and income from businesses conducted in RI.

Enter dates you were a Rhode Island resident:

from ___/___/___ to ___/___/___.

	FEDERAL INCOME	RI RESIDENT PERIOD	RI NONRESIDENT PERIOD	
	Column A INCOME FROM FEDERAL RETURN	Column B INCOME FROM COLUMN A FOR THIS PERIOD	Column C INCOME FROM COLUMN A FOR THIS PERIOD	Column D INCOME FROM COLUMN C FROM RI SOURCES
1. Wages, salaries, tips, etc. - Federal Form 1040 or 1040A, line 7; 1040EZ, line 1; Telefile item I.....				
2. Interest and dividends - Federal Form 1040 or 1040A, lines 8a and 9; 1040EZ, line 1; Telefile item I.....				
3. Business income - Federal Form 1040, line 12.....				
4. Sale or exchange of property - Federal Form 1040, lines 13 and 14; 1040A, line 10.....				
5. Pension and annuities; rents and royalties, etc. - Federal Form 1040, lines 15b, 16b and 17; 1040A lines 11b and 12b.....				
6. Farm income - Federal Form 1040, line 18.....				
7. Miscellaneous income - Federal Form 1040, lines 10, 11, 19, 20b and 21; 1040A, lines 13 and 14b; 1040EZ, line 3.....				
8. Total Income - add lines 1, 2, 3, 4, 5, 6 and 7.....				
9. Adjustments - Federal Form 1040, line 32; 1040A, line 18.....				
10. Adjusted gross income - subtract line 9 from line 8.....				
11. Net modifications to Federal AGI.....				
12. Modified Federal AGI - combine lines 10 and 11 - Amount in column A should be equal to amount on RI-1040NR, page 1, line 3.				
13. Total RI income - add line 12, column B and column D.....				
14. Allocation - divide line 13 by line 12, column A (if line 13 is greater than line 12, column A, enter 1.0000).....				
15. RI tax after allowable Federal credits - before allocation - from RI-1040NR, page 1, line 12.....				
16. RI income tax - multiply line 15 by line 14 - if you have income earned in another state while you were a resident of RI, complete part 2 page 8 , otherwise enter here and on RI-1040NR, page 1, line 13 and check the P art-year resident box.....				

Name(s) shown on Form RI-1040NR

Your Social Security Number

SCHEDULE V PART-YEAR RESIDENT TAX CALCULATION (con't)

(This schedule is only to be completed by part-year residents - Attach a signed copy of return filed with other state)

PART 2 CREDIT FOR INCOME TAXES PAID TO ANOTHER STATE AND TAX WORKSHEET

17. RI income tax - from page 7, schedule V, part 1, line 16.....			17.		
18. Income taxed by other states while a RI resident included on page 7, schedule V, part 1, line 10, column B.....	18.				
19. Total RI income - page 7, schedule V, part 1, line 13.....	19.				
20. Divide line 18 by line 19.....			20.		— . — — — —
21. Multiply line 17 by line 20.....			21.		
22. Tax due and paid to other state..... Insert name of state paid _____			22.		
23. Amount from line 18 above.....	23.				
24. Total adjusted gross income from other state's income tax return (attach copy of return).....	24.				
25. Divide line 23 by line 24.....			25.		— . — — — —
26. Multiply line 22 by line 25.....			26.		
27. Maximum tax credit (line 17, 21 or 26 whichever is the smallest).....			27.		
28. RI income tax - subtract line 27 from line 17 - enter here and on RI-1040NR, page 1, line 13 and check the P art-year resident box.....			28.		