**RI-1040C RHODE ISLAND COMPOSITE INCOME TAX RETURN 2004**

<table>
<thead>
<tr>
<th>Entity Type</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Sub S Corporation</td>
<td></td>
</tr>
<tr>
<td>□ LLC</td>
<td></td>
</tr>
<tr>
<td>□ Partnership</td>
<td></td>
</tr>
<tr>
<td>□ Trust</td>
<td></td>
</tr>
<tr>
<td>Address Line 1</td>
<td></td>
</tr>
<tr>
<td>Address Line 2</td>
<td></td>
</tr>
<tr>
<td>City, Town or Post Office</td>
<td>State</td>
</tr>
</tbody>
</table>

**SECTION A: COMPUTATION OF INCOME**

1. Total Federal Taxable Income - From Federal Form 1120S, line 21; Federal Form 1065, line 22 or Federal Form 1041, line 18, plus any separately stated income items listed on K-1.

2. **MODIFICATIONS INCREASING FEDERAL TAXABLE INCOME**
   A. Income from obligations of any state or its political subdivisions, other than RI (attach documentation).
   B. Bonus Depreciation and Section 179 Depreciation.
   C. Other modifications (attach documentation).

3. Total modifications **INCREASING** Federal Taxable Income - Add lines 2A, 2B and 2C.

4. **MODIFICATIONS DECREASING FEDERAL TAXABLE INCOME**
   A. Income from obligations of the US government included in federal income but exempt from state income taxes (attach documentation).
   B. Bonus Depreciation and Section 179 Depreciation.
   C. Other modifications (attach documentation).

5. Total modifications **DECREASING** Federal Taxable Income - Add lines 4A, 4B and 4C.

6. Modified Federal Taxable Income - line 1 plus line 3 less line 5.

7. Rhode Island apportionment ratio from page 2, Section C, line 30 (multistate entities only - entities solely in RI enter 1.000).

8. Rhode Island source income multiply line 6 by line 7.

9. Rhode Island composite income tax rate.

10. **RHODE ISLAND INCOME TAX** - Multiply line 8 by line 9.

11. Rhode Island credits - indicate credit form number(s) attach forms.

12. Rhode Island income tax after credits - subtract line 11 from line 10 (not less than zero).

13. Qualified electing nonresident members' percent of ownership (if all such members are nonresidents enter 1.000).


15. Rhode Island estimated payments made on RI 1040C-ES and amount applied from 2003 composite return.

16. Rhode Island nonresident real estate withholding of qualified electing nonresident members.

17. RI nonresident withholding received from pass-through entities from RI 1099-PT - attach form(s).

18. Other payments.


20. **AMOUNT DUE** - If line 14 is **LARGER** than line 19, subtract line 19 from line 14.

21. Underestimating interest due. If RI-2210C is prepared check box and attach RI-2210C to the return.

22. **TOTAL DUE** - Add lines 20 and 21. Complete RI 1040C-V.

23. **OVERPAYMENT** - If line 14 is **SMALLER** than line 19, subtract line 14 from line 19. This is the amount you overpaid.

24. Amount of overpayment to be refunded.

25. Amount of overpayment to be applied to 2005 RI-1040C estimated tax.
## SECTION C: APPORTIONMENT

### AVERAGE NET BOOK VALUE

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Rhode Island</th>
<th>Everywhere</th>
</tr>
</thead>
<tbody>
<tr>
<td>26A</td>
<td>Inventory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26B</td>
<td>Depreciable assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26C</td>
<td>Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26D</td>
<td>Rent (8 times annual net rental rate)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26E</td>
<td>Total- Add lines 26A, 26B, 26C and 26D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26F</td>
<td>F. Ratio in Rhode Island, line 26E, Column A divided by line 26E, Column B</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### RECEIPTS

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Rhode Island</th>
<th>Everywhere</th>
</tr>
</thead>
<tbody>
<tr>
<td>27A</td>
<td>Gross receipts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27B</td>
<td>Dividends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27C</td>
<td>Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27D</td>
<td>Rents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27E</td>
<td>Royalties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27F</td>
<td>Net capital gains</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27G</td>
<td>Ordinary income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27H</td>
<td>Other income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27I</td>
<td>Income exempt from federal taxation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27K</td>
<td>K. Ratio in Rhode Island, line 27J, column A divided by line 27J, column B</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SALARIES

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Rhode Island</th>
<th>Everywhere</th>
</tr>
</thead>
<tbody>
<tr>
<td>28A</td>
<td>Salaries and wages paid or incurred</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28B</td>
<td>B. Ratio in Rhode Island, line 28A, column A divided by line 28A, column B</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### RATIO

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Rhode Island</th>
<th>Everywhere</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>Total of Rhode Island ratios shown on lines 26F, 27K and 28B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>30. Apportionment Ratio - line 29 divided by the number 3 or the number of ratios used - enter here and on page 1, Section A, line 7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## SECTION D: QUALIFIED ELECTING MEMBER INFORMATION

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Social Security Number</th>
<th>RI Source Income</th>
<th>RI Income Tax</th>
</tr>
</thead>
</table>

**Attach additional schedules, if more space is required.**

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.

**Signature**

**Title**

**Date**

May the division contact your preparer about this return? Yes [ ] No [ ]

**Signature of preparer**

**SSN, PTIN or EIN**

**Telephone number**

**Signature**

Mail returns to: RI Division of Taxation - One Capitol Hill - Providence, RI 02906-5806
2004 INSTRUCTIONS FOR FILING RI-1040C
For more information on filing a Composite Return or to obtain forms, refer to Rhode Island Division of Taxation’s website: www.tax.ri.gov or call (401) 222-1111

GENERAL INFORMATION
Form RI-1040C is used to report the Rhode Island source income of qualified electing nonresident members of Sub S Corporations, LLCs, Partnerships, and Trusts.

Due to the passage of a bill disallowing federal bonus depreciation for Rhode Island purposes, any bonus depreciation taken for federal purposes must be added back as a modification to income.

Since a bill was passed disallowing the increase in the section 179 depreciation under the Jobs and Growth Tax Relief Reconciliation Act of 2003, section 179 depreciation will remain limited to $25,000 for Rhode Island purposes. Therefore, in the first year any additional section 179 depreciation taken for federal purposes should have been added back as a modification to income.

A separate schedule of depreciation must be kept for Rhode Island purposes. The gain or loss on the sale or other disposition of the asset is to be determined, for Rhode Island purposes, using the Rhode Island depreciation schedule.

For further information regarding bonus depreciation or section 179 depreciation refer to the General Instructions of Form RI-1040NR, Rhode Island Nonresident Income Tax return.

DUE DATE: RI 1040-C is due on the fifteenth day of the fourth month following the close of the taxable year of the qualified electing nonresident members. (April 15, 2005 for calendar year taxpayers).

Send return to:
R.I. Division of Taxation
One Capitol Hill
Providence, RI 02908-5806

SPECIFIC INSTRUCTIONS
Please complete the top of the return by filling in the name, address and federal identification number.

SECTION A: COMPUTATION OF INCOME
Line 1 - Enter your total Federal Taxable Income from Federal Form 1120S, line 21; Federal Form 1065, line 22 or Federal Form 1041, line 18, and add to that any separately stated income listed on your K-1.

Line 2 - Modifications Increasing Federal Taxable Income
Line 2A - Enter any income from obligations of any state or its political subdivisions, other than Rhode Island.
Line 2B - Enter Bonus Depreciation and the increased Section 179 Depreciation that must be added back to Rhode Island income.

Due to the passage of a bill disallowing federal bonus depreciation for Rhode Island purposes, any bonus depreciation taken for federal purposes must be added back as a modification to income.

Since a bill was passed disallowing the increase in the section 179 depreciation under the Jobs and Growth Tax Relief Reconciliation Act of 2003, section 179 depreciation will remain limited to $25,000 for Rhode Island purposes. Therefore, in subsequent years, if federal depreciation is less than what previously would have been allowed, the difference can be deducted as a modification to income.

A separate schedule of depreciation must be kept for Rhode Island purposes. The gain or loss on the sale or other disposition of the asset is to be determined, for Rhode Island purposes, using the Rhode Island depreciation schedule.

For further information regarding bonus depreciation or section 179 depreciation refer to the General Instructions of Form RI-1040NR, Rhode Island Nonresident Income Tax return.

Line 4A - Enter any income from obligations of the United State Government to the extent that it is included in income for federal tax purposes but exempt for state purposes.

Line 4B - Enter Bonus Depreciation and Section 179 Depreciation that has not been taken for federal purposes because the depreciation was not taken originally.

Since a bill was passed disallowing federal bonus depreciation for Rhode Island purposes, in the first year any bonus depreciation taken for federal purposes should have been added back as a modification to income. Therefore, in subsequent years, if federal depreciation is less than what previously would have been allowed, the difference can be deducted as a modification to income.

A separate schedule of depreciation must be kept for Rhode Island purposes. The gain or loss on the sale or other disposition of the asset is to be determined, for Rhode Island purposes, using the Rhode Island depreciation schedule.

For further information regarding bonus depreciation or section 179 depreciation refer to the General Instructions of Form RI-1040NR, Rhode Island Nonresident Income Tax return.

Line 4C - Enter any other modifications decreasing Federal Taxable Income and provide an explanation for that modification.

Line 5 - Modifications Decreasing Federal Taxable Income
Line 4A - Enter any income from obligations of the United State Government to the extent that it is included in income for federal tax purposes but exempt for state purposes.

Line 4B - Enter Bonus Depreciation and Section 179 Depreciation that has not been taken for federal purposes because the depreciation was not taken originally.

Since a bill was passed disallowing federal bonus depreciation for Rhode Island purposes, in the first year any bonus depreciation taken for federal purposes should have been added back as a modification to income. Therefore, in subsequent years, if federal depreciation is less than what previously would have been allowed, the difference can be deducted as a modification to income.

A separate schedule of depreciation must be kept for Rhode Island purposes. The gain or loss on the sale or other disposition of the asset is to be determined, for Rhode Island purposes, using the Rhode Island depreciation schedule.

For further information regarding bonus depreciation or section 179 depreciation refer to the General Instructions of Form RI-1040NR, Rhode Island Nonresident Income Tax return.

Line 5 - Total Modifications Decreasing Federal Taxable Income - add lines 4A, 4B and 4C.

Line 6 - Modified Federal Taxable Income- Add line 1 to line 3 and then subtract line 5. (Line 1 + line3 - line 5)

Line 7 - Rhode Island apportionment ratio:
If the entity operates solely in Rhode Island, enter 1.0000. If it is a multistate entity, enter computed ratio from line 30 of apportionment worksheet located on page 2, Section C. (Carry ratio to four decimal places.)

Line 8 - Rhode Island Source Income - multiply your Modified Federal Taxable Income (line 6) by the apportionment ratio (line 7).

SECTION B: COMPUTATION OF TAX
Line 9 - Rhode Island Composite Income Tax rate of 9.9%.
## Rhode Island Income Tax Return

### Section A: General Information

- **Line 1:** Enter the Rhode Island and the total amounts for each column.
- **Line 2:** Enter the Rhode Island and the total amounts for each row.

### Section B: Member Information

- **Line 3:** Enter the Rhode Island and the total amounts for each member's share of Rhode Island sources of income.
- **Line 4:** Enter the Rhode Island and the total amounts for each member's share of Rhode Island source of income.

### Section C: Apportionment

- **Line 5:** Enter the Rhode Island and the total amounts for each line.
- **Line 6:** Enter the Rhode Island and the total amounts for each line.
- **Line 7:** Enter the Rhode Island and the total amounts for each line.
- **Line 8:** Enter the Rhode Island and the total amounts for each line.

### Section D: Member Information

- **Line 9:** Enter the Rhode Island and the total amounts for each member.
- **Line 10:** Enter the Rhode Island and the total amounts for each member.
- **Line 11:** Enter the Rhode Island and the total amounts for each member.

### Financial Information

- **Line 12:** Enter the total amounts for each line.
- **Line 13:** Enter the total amounts for each line.
- **Line 14:** Enter the total amounts for each line.
- **Line 15:** Enter the total amounts for each line.

### Other Information

- **Line 16:** Enter the total amounts for each line.
- **Line 17:** Enter the total amounts for each line.
- **Line 18:** Enter the total amounts for each line.
- **Line 19:** Enter the total amounts for each line.

### Signatures

- **Line 20:** Enter the total amounts for each line.
- **Line 21:** Enter the total amounts for each line.
- **Line 22:** Enter the total amounts for each line.
- **Line 23:** Enter the total amounts for each line.

### Additional Information

- **Line 24:** Enter the total amounts for each line.
- **Line 25:** Enter the total amounts for each line.
- **Line 26:** Enter the total amounts for each line.
- **Line 27:** Enter the total amounts for each line.

---

**Notes:**
- Complete all pertinent voucher (R) lines.
- Complete all pertinent voucher (R) lines.
- Complete all pertinent voucher (R) lines.
- Complete all pertinent voucher (R) lines.