

Rhode Island Nonresident Individual Income Tax Return

2000

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

RI-1040 NR For 2000 or other tax year _____, 20____, Ending _____, 20____.

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

A	Filing Status Please check one: 1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing joint return (even if only one had income) 3 <input type="checkbox"/> Married filing separate return. 4 <input type="checkbox"/> Head of Household (with qualifying person) 5 <input type="checkbox"/> Qualifying widow(er) with dependent child (Year spouse died)	
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B Total exemptions claimed (2000 Federal 1040 Line 6d or Federal Form 1040A Line 6d.) Enter number.	B
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C Enter your deduction from Federal Form 1040 line 36; Form 1040A line 22; Form 1040EZ line 5 or amount of deductions recomputed (see instructions).	C
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D Enter amount of Line 8B of Federal Form 1040 or 1040A.	D
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E Enter amount of Line D above subject to R.I. Taxation (enter here and on Line 19, Schedule 1, Page 2).	E
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• If your income is derived solely from Rhode Island sources and you have no modifications or your modifications do not exceed \$100, you need only to complete the front side of this return. Enter Federal adjusted gross income Form 1040 Line 33, Form 1040A Line 19, 1040EZ Line 4.

• If you have modifications and/or an allocation of your total income for Rhode Island tax purposes you must complete Schedule 1 on Page 2 of this return before entering your Federal Income Tax Liability on Line 1 below.

1. 2000 Federal Income Tax - Federal Form 1040 line 42 less lines 43, 44, 45, 49 & 60a; 1040A line 26 less lines 27, 28 & 38a; 1040EZ line 10 less line 8a; or Page 2, line 32. (if \$0 or less, enter \$0)	▶	1.	
2. RHODE ISLAND TAX - 26.0% of amount on Line 1. (if \$0 or less, enter \$0)	▶	2.	

TAX PAYMENTS AND CREDITS

3.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:5%;">A.</td> <td style="width:50%;">RHODE ISLAND 2000 Income Tax withheld. (Please attach forms - W-2, 1099s, etc.)</td> <td style="width:5%; text-align: center;">▶</td> <td style="width:10%; text-align: center;">3A.</td> <td style="width:25%;"></td> </tr> <tr> <td>B.</td> <td>Payments on 2000 Form R.I. 1040ES and credits carried forward from 1999</td> <td style="text-align: center;">▶</td> <td style="text-align: center;">3B.</td> <td></td> </tr> <tr> <td>C.</td> <td>NON-RESIDENT withholding on Real Estate Sales, in 2000</td> <td style="text-align: center;">▶</td> <td style="text-align: center;">3C.</td> <td></td> </tr> <tr> <td>D.</td> <td>Other Credits-Credit Form Nos.</td> <td style="text-align: center;">▶</td> <td style="text-align: center;">3D.</td> <td></td> </tr> <tr> <td>E.</td> <td>Other Payments</td> <td style="text-align: center;">▶</td> <td style="text-align: center;">3E.</td> <td></td> </tr> <tr> <td>F.</td> <td>Total - Add Lines 3A, 3B, 3C, 3D and 3E.</td> <td style="text-align: center;">▶</td> <td style="text-align: center;">3F.</td> <td></td> </tr> </table>	A.	RHODE ISLAND 2000 Income Tax withheld. (Please attach forms - W-2, 1099s, etc.)	▶	3A.		B.	Payments on 2000 Form R.I. 1040ES and credits carried forward from 1999	▶	3B.		C.	NON-RESIDENT withholding on Real Estate Sales, in 2000	▶	3C.		D.	Other Credits-Credit Form Nos.	▶	3D.		E.	Other Payments	▶	3E.		F.	Total - Add Lines 3A, 3B, 3C, 3D and 3E.	▶	3F.				CHECK IF EXTENSION IS ATTACHED <input type="checkbox"/>
A.	RHODE ISLAND 2000 Income Tax withheld. (Please attach forms - W-2, 1099s, etc.)	▶	3A.																															
B.	Payments on 2000 Form R.I. 1040ES and credits carried forward from 1999	▶	3B.																															
C.	NON-RESIDENT withholding on Real Estate Sales, in 2000	▶	3C.																															
D.	Other Credits-Credit Form Nos.	▶	3D.																															
E.	Other Payments	▶	3E.																															
F.	Total - Add Lines 3A, 3B, 3C, 3D and 3E.	▶	3F.																															

4. If Line 2 is larger than Line 3F, SUBTRACT line 3F from line 2. This is the amount you owe. ☹️ Check <input type="checkbox"/> If Form 2210 is attached-INTEREST due OR -0- \$	▶	4.	
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5. If Line 3F is larger than Line 2, subtract line 2 from 3F. This is the amount you over paid. 😊	▶	5.	
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6. Amount of OVERPAYMENT to be REFUNDED	▶	6.	
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7. Amount of OVERPAYMENT to be CREDITED to 2001 Estimated Tax	▶	7.	
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7 A. ELECTORAL SYSTEM CONTRIBUTION \$5.00 (10.00 if a joint return) (See instructions) NOTE: This will not increase your tax or reduce your refund. Check one <input type="checkbox"/> YES <input type="checkbox"/> NO	7 B.	If you wish the first \$2.00 (\$4.00 if a joint return) to be paid over to a specific political party, check the first box and fill in the name of the political party. If you wish it to be paid over to a nonpartisan general account, check second box. (1) <input type="checkbox"/> _____ Party (2) <input type="checkbox"/> NonPartisan General Account (See Instructions)
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7 C. DRUG PROGRAM ACCOUNT NOTE: This contribution will reduce your refund.	<input type="checkbox"/>	\$1.00	<input type="checkbox"/>	\$5.00	<input type="checkbox"/>	\$10.00	<input type="checkbox"/>	Other	\$ (write in amount)
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7 D. OLYMPIC CONTRIBUTION \$1.00 (\$2.00 if a joint return) (See instructions) NOTE: This contribution will reduce your refund.	<input type="checkbox"/>	\$1.00	<input type="checkbox"/>	\$5.00	<input type="checkbox"/>	\$10.00	<input type="checkbox"/>	Other	\$ (write in amount)
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7 E. R.I. ORGAN TRANSPLANT FUND NOTE: This contribution will reduce your refund	<input type="checkbox"/>	\$1.00	<input type="checkbox"/>	\$5.00	<input type="checkbox"/>	\$10.00	<input type="checkbox"/>	Other	\$ (write in amount)
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7 F. R.I. NONGAME WILDLIFE APPROPRIATION NOTE: This contribution will reduce your refund	<input type="checkbox"/>	\$1.00	<input type="checkbox"/>	\$5.00	<input type="checkbox"/>	\$10.00	<input type="checkbox"/>	Other	\$ (write in amount)
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7 G. CHILDHOOD DISEASE VICTIMS' FUND NOTE: This contribution will reduce your refund	<input type="checkbox"/>	\$1.00	<input type="checkbox"/>	\$5.00	<input type="checkbox"/>	\$10.00	<input type="checkbox"/>	Other.	\$ (write in amount)
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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
SIGNATURE AND ADDRESS OF PAID PREPARER.		SSN OR FEI #	
DATE			

PLEASE ATTACH W-2 FORM(S) HERE

Rhode Island Income and Adjustments from Federal Return.

Enter in Column A amounts attributable to Rhode Island sources.
Enter in Column B amounts from Federal Return Form 1040.

	(A)	(B)
FEDERAL FORM 1040	RHODE ISLAND AMOUNT	FEDERAL AMOUNT
8. Wages, Salaries, Tips, Etc. Line 7		
9. Interest and Dividends Lines 8a and 9		
10. Business Income Line 12		
11. Sale or Exchange of Property Lines 13 and 14		
12. Pensions and Annuities, Rents and Royalties, Etc., Lines 15b, 16b and 17		
13. Farm Income Line 18		
14. Miscellaneous Income Lines 10, 11, 19, 20b and 21		
15. Total Lines 8 through 14		
16. Adjustments (Attach Schedule) Line 32		
17. Total Income - Line 15 less Line 16 - Column A		
18. Federal Adjusted Gross Income - Line 15 less Line 16 Column B		
19. Modifications Increasing Federal A.G.I. (Attach Schedule)		
20. Modifications Decreasing Federal A.G.I. (Attach Schedule)		
21. Net modification (Combine Lines 19 and 20)		
22. Modified Federal A.G.I. (Combine Lines 18 and 21)		
23. Enter your deduction from Federal Form 1040 line 36; Form 1040A line 22; Form 1040EZ line 5 or amount of deduction recomputed (see instructions).		
24. Subtract Line 23 from Line 22.		
25. Multiply \$2,800 by the total number of exemptions claimed on Federal Form 1040 line 6d; 1040A line 6d or enter amount of phase out exemption (see instructions).		
26. Taxable Income. Subtract Line 25 from Line 24. Enter here.		
27. Federal income tax on amount on line 26 (see federal instructions). Include any tax from Federal Form(s) 8814 & 4972. Also include taxes from Federal Form 4970 and any recapture taxes reported on your Federal income tax return.		
28. Alternative minimum tax from Federal Form 1040 line 41.		
29. Total federal income tax before credits. Add lines 27 and 28.		
30. Credits - Enter total from Federal Form 1040 lines 43, 44, 45, 49 & 60a; or Federal Form 1040A lines 27, 28 & 38a; or Federal Form 1040EZ line 8a.		
31. Total federal income tax - Line 29 less line 30. (If \$0 or less, enter \$0)		
32. Adjusted Federal Tax for Rhode Island: (A) Line 17 (See instructions for Line 32) <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> x (C) Line 31 = Enter here and on Page 1, Line 1 (B) Line 22		

Schedule 1 A	
Allocation of Wage and Salary Income to Rhode Island	
1. Wages, Salaries, Tips, Etc. (To be Allocated)	(1)
2. Total Days in Year	
3. Nonworking Days:	
Saturdays, Sundays and Holidays	
Sick Leave	
Vacation	
Other Nonworking Days	
Total Nonworking Days	
4. Total Days Worked in Year (Line 2 less Line 3)	(4)
5. Deduct Days Worked Outside Rhode Island	
6. Days Worked in Rhode Island (Line 4 less Line 5)	(6)
7. Rhode Island Amount:	
(6) _____ X (1) _____ = _____	
(4) _____	Include this Amount on Line 8, Column (A), Schedule 1

Schedule 1 C	
Allocation of Business Income to Rhode Island	
Business Allocation Percentage	%
Schedule 1 B Below	
Enter Line Number and Amount of Each Item of Business Income (or loss) Reported in Column (B) of Schedule 1 Required to be Allocated and Multiply by Allocation Percentage to Determine Rhode Island Amount.	
Line No.	\$ X % =
Line No.	\$ X % =
Line No.	\$ X % =
Line No.	\$ X % =
Line No.	\$ X % =
Include These Amounts on Corresponding Lines in Column (A), Schedule 1	

Schedule 1 B		BUSINESS ALLOCATION PERCENTAGE	
(1) Description of Items Used as Factors	(2) Totals-Inside and Outside the State	(3) Rhode Island State Amounts	(4) Percent Column 3 is of Column 2
1. Average Value of the Real and Tangible Personal Property of the Business (See Instructions)			
a) Real Property Owned	\$	\$	▼
b) Real Property Rented from Others			▼
c) Tangible Personal Property Owned			▼
d) Total of Lines 1a, 1b and 1c			%
2. Wages, Salaries and other Personal Service Compensation paid During the Year			%
3. Gross Sales of Merchandise or charges for Services During the Year			%
4. Total of Percentages in Column (4)			%
5. Business Allocation Percentage (Divide Total Percentages (Line 4) by 3) Enter This Percentage on Schedule 1C.			%

2000 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

- Carefully read the instructions. For your convenience we have provided step by step instructions which will aid you in completing your return.
- 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 income tax liability.
- Fill out the Form RI-1040NR completely.
- Attach your withholding statement(s). This is the statement of taxes withheld which is furnished you by your employer. If the statement is not available, please explain.
- Be sure to sign your return.
- File early (Deadline is April 15).

These instructions are for the use of non-resident and partial-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, One Capitol Hill, Providence, Rhode Island 02908-5800.

DEFINITIONS OF RESIDENT AND NONRESIDENT

A resident is 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.

A nonresident is any person not coming within the definition of a resident.

For purposes of the above definitions, domicile, in general, means the place which an individual intends to be his or her permanent home--the place to which he or she intends to return whenever he or she may be absent. A person can have only one domicile. For a married couple, normally both individuals have the same domicile. A domicile once established continues until a new one is acquired. No change of domicile results from removal to a new location if the intention is to remain there only for a limited time even if it is of relatively long duration.

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 R.I. lottery and parimutuel betting events, in this state.

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

- a) 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.
- b) 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 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 partial 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 shall file a Rhode Island individual income tax return Form RI-1040NR.

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.

PARTIAL-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 partial-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

The status declared in filing your federal return will generally determine the manner in which your Rhode Island return must be filed.

If the federal income tax liability of either spouse is determined on a separate federal return, then the liability for Rhode Island shall be determined on a separate return.

If the federal income tax liability of a husband and wife is determined on a joint federal return, a joint Rhode Island return shall be filed.

Where one spouse is a resident and the other is a nonresident, separate Rhode Island income tax returns should be filed unless they file a joint federal income tax return and elect to file jointly and compute their Rhode Island income as if both were residents.

However; in a situation where a husband and wife have filed a joint federal return but one spouse is a resident and the other a nonresident and they do not elect to file a joint Rhode Island return as if they were both residents, income on the separate Rhode Island returns must be computed as if their federal adjusted gross incomes had been determined separately.

MILITARY PERSONNEL

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 their 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.

DECEASED TAXPAYERS

If the taxpayer died before filing a return for 2000 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, 2001. If you file your federal income tax return on a fiscal year basis, you must file your Rhode Island income tax return on the same basis and not later than the 15th day of the fourth month following the close of your fiscal year.

If the due date of your return falls on a Saturday, Sunday or a Rhode Island legal holiday, the return will be due on the next working day.

EXTENSION OF TIME

Special rule for the extension of time for Filing of Returns. 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.

Automatic extension of time for filing individual income tax return --

(a) 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 after the date prescribed for filing of the 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) Such application for extension must show the full amount properly estimated as tax for such taxpayer for such taxable year, and such 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.

(b) 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

Mail your return to the State of Rhode Island, Division of Taxation, One Capitol Hill, Providence, RI - Refund returns use Zip code 02908-5814; all others use Zip Code 02908-5807.

MISSING OR INCORRECT RHODE ISLAND FORM W-2

This is the form furnished 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 Rhode Island 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 through 99 cents to the next higher dollar.

CHANGES IN YOUR FEDERAL INCOME TAX

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. Read specific line instructions for Line 7A and Line 7B.

CONTRIBUTIONS

You may designate as contributions to the Drug Program Account, the U.S. Olympic Committee, The R.I. Organ Transplant Fund, the Non-game Wildlife Appropriation, and the Childhood Disease Victims' Fund.

RHODE ISLAND LOTTERY PRIZES

Winnings and prizes from the Rhode Island Lottery and parimutuel betting events conducted or operated by a licensee in Rhode Island are specifically set out as parts of the Rhode Island income of a nonresident individual. A nonresident must include these items of income and deductions from Rhode Island sources in calculation of Rhode Island personal income tax due.

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 the return is prepared by a firm or corporation, it should be signed in the name of the firm or corporation.

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, Rhode Island 02908-5801. An amount due of less than one dollar (\$1.00) need not be remitted.

Refund will be made if overpayment of income tax is shown by your return unless you indicate on your return that such overpayment is to be credited to estimated tax liability for 2001. 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 payments 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 1041ES which also has instructions for computing the estimated tax and making payments of the amount due.

RI 3468

INVESTMENT 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 business 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 which must accompany any return claiming an investment credit. Forms RI 3468 may be obtained at the R.I. 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 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, ARTWORKS 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 R.I. Department of Human Services.

RI 715

HISTORICAL RESIDENCES CREDIT

Any taxpayer who files a state income tax return and owns a R.I. historic residence may claim an income tax credit of up to ten percent (10%) of certified maintenance or rehabilitation costs up to \$1,000 per year.

An owner must make a preliminary application for certification of maintenance or rehabilitation costs for the tax credit to the State Historical Preservation Commission. A certification from the commission must be filed with the income tax return.

QUALIFYING WIDOW(ER) CREDIT

A Rhode Island resident may qualify for a Rhode Island personal income tax credit based on 2% of his/her adjusted gross income up to a maximum of \$500. To qualify, individuals must be residents for the entire year, be 65 years of age or older, and both qualify and file his/her Federal income tax return as a "qualifying widow(er) with a dependent child" for that tax year.

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 2000 is 25% of the cost of the system. For additional requirements and information, please contact the Rhode Island Division of Taxation, Taxpayer's Assistance Section.

RI 6238

RESIDENTIAL LEAD PAINT CREDIT

An individual is entitled to a credit against his/her R.I. 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. Taxpayers claiming this credit should attach a form RI 6238.

RI 2642

S.B.A. GUARANTY FEE CREDIT

Effective July 1, 1994, taxpayers who have paid a loan guaranty fee to the Small Business Administration (S.B.A.) 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 R.I. personal income tax liability. Taxpayers claiming this credit should attach a form RI 2642.

RI 7695-P

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 realty and tangible personality 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 7695-P.

RI-7695-E

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 law (44-33) provides modifications for a qualifying investment in a certified venture capital partnership and also credits for wages paid by entrepreneurs to employees of qualifying business entities. To claim the modifications or credits, taxpayers must use FORM RI-1040.

ENTERPRISE ZONE TAX BENEFITS

The Enterprise Zone Council enacted by 42-64.3-3.1 has created RI 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 2000 and 12% in 2001. Interest on refunds of tax over payments will be paid at the rate of 12% if the refund is not paid within 90 days of the due date or 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 U.S. Form 1040, 1040A, and 1040EZ, as well as those reported on Form RI-1040NR, are subject to verification and audit by the Rhode Island Division of Taxation.

The Rhode Island Division of Taxation and the U.S. Internal Revenue Service exchange income tax information to verify the accuracy of 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 forms will not answer all questions that may arise. If you have any doubt regarding the completion of your return, further assistance may be obtained at the Division of Taxation, One Capitol Hill, Providence, Rhode Island 02908-5800, or by calling Taxpayer Assistance at 401-222-1040.

2000 Specific Instructions for Filing RI-1040NR

IF THE NAME, ADDRESS OR SOCIAL SECURITY NUMBER SHOWN ON THE RETURN IS INCORRECT, PRINT OR TYPE ANY NECESSARY CORRECTION ON THE RETURN. If you do not have a pre-identified return please complete the identification portion of the return--print or type name(s), address, social security number(s), etc. Follow line by line instructions in preparing your return.

Line A-

Check the block indicating your filing status.

Line B-

Insert **number** of exemptions claimed as shown on 2000 Federal Form 1040 Line 6d or Federal Form 1040A Line 6d.

Line C-

Enter your deduction from Federal Form 1040 line 36, Form 1040A line 22; Form 1040EZ line 5 or amount of deductions recomputed (see instructions, Page 6 line 23).

Line D-

Enter amount from Line 8b of Federal Form 1040 or 1040A.

Line E-

Enter amount of Line D above subject to R.I. Taxation (enter here and on Line 19, Schedule 1, Page 2).

RHODE ISLAND TAX COMPUTATION

- If your income is derived solely from Rhode Island sources and you have no modifications or your modifications do not exceed \$100.00, you need only to complete the front side of this return.

- If you have modifications and/or an allocation of your total income for Rhode Island tax purposes, you must complete appropriate schedules on Page 2 of this return before entering your federal income tax liability on Line 1.

Line 1-

Enter your tax from 2000 Federal Form 1040 line 42 less lines 43, 44, 45, 49, & 60a; Federal Form 1040A line 26 less lines 27, 28 & 38a; Federal Form 1040EZ line 10 less line 8a. If you claim modifications to federal adjusted gross income, enter your 2000 federal tax from Page 2 line 32.

Line 2-

Enter the Rhode Island income tax by multiplying the amount on Line 1 by 26.0% or using the Rhode Island tax table in the tax booklet.

Line 3A-

Enter the total amount of Rhode Island 2000 income tax withheld. (Attach state copy of all

forms W-2, 1099, etc. to the front of the return). Credit for Rhode Island income tax withheld will be allowed only for those amounts supported by attached wage and tax statements.

Line 3B-

Enter payments on 2000 Form R.I. 1040ES and credits carried forward from 1999.

Line 3C-

Enter Non-Resident withholding Tax on Real Estate Sales in 2000.

Line 3D-

Enter other credits, such as the investment credit etc. (See general instructions) Insert credit form number(s).

Line 3E-

Enter other payments.

Line 3F-

Add Lines 3A, 3B, 3C, 3D and 3E.

Line 4-

If the amount on Line 2 is larger than the amount on Line 3F enter balance due. This amount is payable in full with your return. An amount due of less than one dollar (\$1.00) need not be remitted.

Line 5-

If the amount on Line 3F is larger than the amount on Line 2 enter overpayment.

Line 6-

Enter amount of overpayment on Line 5 to be refunded to the taxpayer.

Line 7-

Enter amount of overpayment on Line 5 to be credited to taxpayer's 2001 estimated tax liability .

Line 7A- and 7B-

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 nam-

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

Line 7C-

Drug Program. A contribution to the Drug Program may be made from your refund by checking the appropriate box or entering the amount of your overpayment you want to contribute to this account, if any. This **reduces** your refund amount. All such contributions are deposited as general revenues.

Line 7D-

Olympic Contribution. A Contribution to the U.S. Olympic Committee may be made from your refund in the amount of \$1.00 (\$2.00 if a joint return) by checking the appropriate box on line 7D. This **reduces** your refund amount.

Line 7E-

R.I. Organ Transplant Fund. A Contribution to the R.I. Organ Transplant Fund may be made from your refund by checking the appropriate box or entering the amount of your overpayment you want to contribute to this account, if any. This **reduces** the amount of your refund.

Line 7F-

Nongame Wildlife Checkoff. A contribution to the Nongame Wildlife General Revenue appropriation may be made from your refund by checking the appropriate box or entering the amount of your overpayment you want to contribute, if any. This **reduces** your refund amount. All such contributions are deposited as general revenues.

Line 7G-

Childhood Disease Victim's Fund. A contribution to the Childhood Disease Victims' Fund may be made from your refund. Check the appropriate box or enter the amount of your overpayment that you want to contribute to this fund, if any. NOTE: This **reduces** the amount of your refund.

SCHEDULE 1 - ALLOCATION AND MODIFICATION

As a nonresident of the State of Rhode Island you are subject to tax on those items included in your total federal income which are derived from or connected with Rhode Island sources. Column B of Schedule I is a summary of the items which make up your total federal

income. Column A and supporting Schedules 1A, 1B, and 1C are used in determining your total income from Rhode Island sources.

Enter in Column B the total amount reported on your federal return for each of the applicable items listed in Schedule 1 and enter in Column A, where required, the portion of each such amount derived from or connected with Rhode Island sources. If you are filing a joint return all entries should include amounts for both husband and wife.

Do not include in Column A any adjustments for modifications increasing or decreasing federal adjusted gross income under Rhode Island law. Compute modifications to Rhode Island income at Line 19 and/or 20. (See specific line instructions).

If all of your income is from Rhode Island sources and you are using Schedule 1 for modifications only, enter your federal adjusted gross income on Line 18 and omit Lines 8 through 16.

SPECIFIC LINE INSTRUCTIONS SCHEDULE I

Lines 8 through 16, Column B-

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

Line 18, Column B-

Enter the federal adjusted gross income, Federal Form 1040, Line 33, Federal Form 1040A Line 19, or 1040EZ Line 4.

PARTIAL YEAR RESIDENTS

Partial year residents shall include all income earned during the period of residency in Rhode Island whether earned within or outside of Rhode Island plus R.I. source income received while a nonresident.

NON-RESIDENTS

Line 8, Column A-

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, determine the amount allocable to Rhode Island by completing Schedule IA 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 working days (exclusive of nonworking days, such as Sundays, Saturdays, 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 trans-

acted, as in the case of a salesman working on commission, do not use Schedule IA. In this event, the amount of compensation allocable to Rhode Island is that portion of the compensation included in Column B on Line 8 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 9, Column A-

Enter the amount of interest and dividends included in federal income which are derived from Rhode Island sources. Nonresidents and partial-year residents shall include the amount of interest and dividends to the extent such income is from property employed in a business which is conducted in Rhode Island. Partial-year residents shall also include the amount of interest and dividends received during the period of residence in Rhode Island.

Line 10, Column A-

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. 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 Schedules 1B and 1C. If an approved alternative method of allocation is used, attach schedule.

Line 11, Column A-

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 (1) a partnership of which you are a member, or (2) 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.

Noncapital Assets-

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

Noncapital transactions from Rhode Island are those noncapital 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 12, Column A-

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

- Real property situated in Rhode Island whether or not used in or connected with a business.
- Tangible personal property not used in a business if such property has an actual situs in Rhode Island. and
- 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 and 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 partnership 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 13, Column A-

Farm income - The above instructions for reporting business income (Line 10) including the instructions for reporting when business is carried on both within and without Rhode Island apply to reporting farm income.

Line 14, Column A-

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

Line 15, Column A-

Add Lines 8 through 14 and enter total.

Line 16, Column A-

Federal Form 1040 line 32 - Federal adjustments 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 17, Column A-

Subtract Line 16 from Line 15 and enter total.

Line 19-

Modifications increasing federal adjusted gross income - Enter the total of the following:

- (1) Interest income on obligations of any state, or its political subdivisions other than Rhode Island or its political subdivisions.
- (2) Interest or dividend income on obligations or securities of any authority, commission, or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the extent exempted by the laws of the United States from federal income tax but not from state income taxes.
- (3) Rhode Island fiduciary adjustment as beneficiary of an estate or trust under Section 44-30-17.

- (4) 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.

- (5) Family Education Accounts. Enter amount of modifications increasing Federal AGI from Form R.I. 1040 FEA.

Taxpayers claiming these modifications must submit a schedule showing source and amount of income.

Line 20-

Modifications decreasing federal adjusted gross income - Enter the total of the following:

- (1) Income from obligations of the U.S. Government to the extent included in gross income for federal tax purposes but exempt for state purposes. Example - U.S. Government bond interest.
- (2) Rhode Island fiduciary adjustment as beneficiary of an estate or trust under Section 44-30-17.
- (3) 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.

- (4) Elective deduction for new Research and Development Facilities (Attach Form RI-1040RD).

- (5) 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.

- (6) Qualifying investment in a certified venture capital partnership.

- (7) Family Education Accounts. Enter amounts of modification decreasing Federal AGI from Form R.I. 1040 FEA.

- (8) 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.

Taxpayers claiming these modifications must submit a schedule showing source and amount of income claimed to be exempted.

Line 21-

Combine the amounts on Lines 19 and 20 and enter the net adjustment. Attach Schedule.

Line 22-

Combine the amounts on Lines 18 and 21 and

enter the net result.

Line 23-

Enter your deduction from Federal Form 1040 line 36, (recompute if necessary) Form 1040A line 22; Form 1040EZ line 5. If line 22 is more than \$128,950 (\$64,475 if married and filing separately), see federal instructions for computing itemized deductions.

Line 24-

Subtract Line 23 from Line 22.

Line 25-

Multiply \$2,800 by the number of exemptions entered on Federal Form 1040 line 6d or Federal Form 1040A line 6d. If line 22 is more than \$96,700, see federal instructions for computing amount of personal exemption.

Line 26-

Taxable Income. Subtract Line 25 from Line 24. Enter on Line 26.

Line 27-

Federal income tax on amount on line 26, (see federal instructions). Include any tax from Federal Form(s) 8814 & 4972. Also, include taxes from Federal Form 4970 and any recapture taxes reported on your federal income tax return.

Line 28-

Enter Alternative Minimum Tax from Federal Form 1040 line 41.

Line 29-

Add lines 27 and 28 and enter total.

Line 30-

Enter the amount of federal credits as allowed based on your modified federal adjusted gross income by combining the amounts on Federal Form 1040 lines 43, 44, 45, 49 & 60a or Federal Form 1040A lines 27, 28 & 38a or Federal Form 1040EZ line 8a.

Line 31-

Subtract Line 30 from Line 29 and enter the result.

Line 32-

To arrive at your federal income tax liability for Rhode Island purposes, divide (A) your Rhode Island income (Line 17) combined with net modifications (Line 21) limited to the extent the increase or decrease was from Rhode Island sources by (B) modified federal adjusted gross income (Line 22) and (C) apply the resulting percentage to the federal income tax (Line 31). Enter this amount here and on Page 1, Line 1.