

**RHODE ISLAND DIVISION OF TAXATION
NON-RESIDENT SELLER OF REAL ESTATE
ELECTION TO HAVE WITHHOLDING BASED ON GAIN**

TAX YEAR OF SALE: _____

SELLER # 1

Name _____
Address _____

SS# or FEI # _____
Phone# _____

SELLER # 2

Name _____
Address _____

SS# or FEI # _____
Phone# _____

IF MULTIPLE SELLERS, PLEASE COMPLETE MULTIPLE SELLER PORTION OF CERTIFICATE.

If husband and wife own property jointly and will file a joint income tax return, check here () and both sign on bottom of back page. If husband and wife own property jointly and will not file a joint income tax return, treat as separate/multiple sellers.

Expected closing date: _____

IN THE EVENT OF MULTIPLE SELLERS, ALL SELLERS MUST ELECT THE
GAIN METHOD OR THE NET PROCEEDS METHOD WILL BE USED

ELECTION FOR WITHHOLDING BASED ON GAIN

I (we) the prospective seller(s) of property located at _____ (street address)
in the City/Town of _____, Rhode Island and further designated as
_____ in the land records of said city/town, hereby elect to have the withholding
(plat # and lot #)

required under R.I.G.L. 44-30-71.3 based on my (our) estimated gain rather than on net proceeds. I (we) hereby request that the Rhode Island Division of Taxation approve my (our) estimated withholding computation and forward to me (us) or to another designated person, a certificate of withholding due prior to the closing date above. I (we) understand the failure to make this election by filing this form with the Division of Taxation at least 20 days prior to the expected closing date will result in withholding based on net proceeds at the time of the sale. I (we) understand that this election is binding and will result in an amount based on estimated gain to be withheld at the closing in lieu of withholding calculated on net proceeds.

CALCULATIONS:

1. Gross sales price (real estate and personal property) \$ _____
2. Less expenses of sale \$ _____
3. Net sales price \$ _____
4. Less cost or other basis \$ _____
5. Gain (Loss). \$ _____
If a gain, and all is recognizable, enter here and on line 7 below.
If a loss, stop here, sign and send in for certificate of no withholding due.
6. If some part of the gain is not taxable or tax deferred (e.g. installment sale);
or if all the gain is not taxed for federal income tax purposes, complete the
applicable section on page 2 and enter the unrecognized gain here \$ _____
7. Gain subject to Withholding (line 5 less line 6) \$ _____
8. Withholding Rate: _____ %
6% if seller is an individual, estate or trust
9% if seller is a corporation
9. Withholding Amount Due (multiply line 7 by line 8) \$ _____

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SPECIAL TYPES OF TRANSACTIONS

() Check here if this sale will not be subject to tax under IRC Section 121 (Sale of Principal Residence); 721 (Tax-Free Exchanges - Partnership Interest); 1031 (Like Kind Exchange); or 1033 (Involuntary Conversions) and circle the applicable section. If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a Rhode Island tax return for the year of the sale.

INSTALLMENT SALE SCHEDULE

() Check here if the seller will be recognizing gain from this transaction on the installment sale election for federal tax purposes. A complete installment sale schedule must be attached to this election form. See regulations and instructions and enter the amount of unrecognized gain on page 1, line 6.

GAIN ON ASSETS HELD MORE THAN FIVE (5) YEARS

FOR SALES AFTER JANUARY 1, 2007 (INDIVIDUALS ONLY)

() Check here if this sale is for real estate that has been held for more than five (5) years. Complete the following schedule and enter the result on page 1, line 6.

Date real estate purchased: _____ Date real estate sold: _____

- | | |
|--|----------|
| 1. Enter the amount of gain reported on page 1, line 5. | \$ _____ |
| 2. If applicable, enter the amount of gain excluded due to principal residence | \$ _____ |
| 3. Enter the net gain amount (subtract line 2 from line 1) | \$ _____ |
| 4. Divide the amount on line 3 above by 3. | \$ _____ |
| 5. Subtract the amount on line 4 from the amount on line 3. | \$ _____ |
| 6. Total amount to be excluded from gain - add lines 2 and 5. | \$ _____ |
| Enter here and on <u>page 1, line 6</u> . | \$ _____ |

NONRESIDENT CORPORATE INFORMATION

If the seller is a nonresident corporation, the buyer will be deemed to be in compliance with the remittance requirements if the seller provides the buyer with a Letter of Good Standing issued by the Tax Administrator for the purposes of the sale.

WITHHOLDING APPLIED

Withholding will be credited to the Nonresident Rhode Island seller(s)'s individual or corporate tax return(s) which must be filed by the seller(s) for the year of the sale. If such withholding exceeds the actual tax due, the balance will be refunded upon filing of a return. If less than the actual tax due, the balance will be due by the due date of the tax return filed for the year of the sale.

<small>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.</small>			
Seller # 1 Signature	Date	Seller # 2 Signature	Date

IF MORE THAN TWO (2) SELLERS, ATTACH SCHEDULE FOR OTHER SIGNATURES

MAIL THIS FORM TO: Chief Revenue Agent
 Personal Income Tax Section
 Rhode Island Division of Taxation
 One Capitol Hill
 Providence, RI 02908

--- Please include a self-addressed stamped envelope ---