**INFORMATION SECTION**

Enter the requested entity information on the top of the form, including name, address, federal identification number, type of return being filed, and if the entity is not a calendar year filer, enter the beginning and end dates of the entity’s fiscal year.

Enter the following information in the corresponding boxes:

A. The gross receipts from U.S. Forms 1120 or 1120S, Page 1, Line 1(c).
B. The depreciable assets from Line 1A Column C, Schedule L, U.S. Form 1120, Page 4.
C. The total amount of interest expenses and costs and tangible expenses and costs that must be added back. For informational purposes only in 2007.
D. The amount of sales allocable to Rhode Island under R.I.G.L. 44-11-14(a) (2)(i)(B). Gross sales of tangible personal property where shipments are made from an office, store, warehouse, factory or other place of storage in this state and the taxpayer is not taxed in the state of purchase must now be included in the amount of sales allocable to Rhode Island. On Gross Receipts-Sales Under 44-11-14(a)(2)(i)(B) amount on line 2 of the Apportionment Schedule, schedule F.

**SCHEDULE A-COMPUTATION OF TAX**

**TAXABLE INCOME**

**Line 1.** Enter the taxable income as it appears on Line 28, Federal Form 1120.

**SUBCHAPTER S FILERS:** Complete Lines 1 through 6 of RI-1120S. Federal Schedule K will be used to determine Rhode Island taxable income to be reported by shareholders.

**LIMITED LIABILITY COMPANY FILERS:**

(i) If the LLC is to be treated as a corporation it shall pay a tax the same as a “C” corporation and file Form RI-1120C.
(ii) If the LLC is to be treated as a partnership it shall pay a minimum tax as defined under §44-11-2(e) and file Form RI-1120S.
(iii) If the LLC is a disregarded entity it shall pay a tax as defined under §44-11-2(e) and file Form RI-1120S.

**DEDUCTIONS**

**Line 2a. Net Operating Loss Deduction**

For years ending 4/15/92 and thereafter a net operating loss deduction shall be allowed which shall be the same as the net operating loss deduction allowed under §172 of the Internal Revenue Code of 1984, except that (1) any net operating loss included in determining such deduction shall be adjusted to reflect the inclusions and exclusions from entire net income required by paragraph (a) of §§44-11-11 and §44-11-11.1, (2) such deduction shall not include any net operating loss sustained during any taxable year in which the taxpayer was not subject to the tax imposed by this chapter, (3) such deduction shall not exceed the deduction for the taxable year allowable under § 172 of the Internal Revenue Code of 1954, provided however, such deductions for a taxable year may not be carried back to any other taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for the five (5) succeeding taxable years.

**Line 2b. Special Deductions**

Enter the amount from Federal Form 1120, Schedule C, line 20.

**Line 2c. Exempt Dividends and Interest**

Enter the amount of exempt dividends and interest from page 2, Schedule B, line 10 of the RI-1120c.

**Line 2d. Foreign Dividend Gross-up**

Enter the amount from Federal Form 1120, Schedule C, line 15.

**Line 2e. Bonus Depreciation Adjustment**

Enter the amount of adjustment which represents the difference between normal first year depreciation and residual depreciation as long as depreciation lasts.

**Line 3. Total Deductions**

Add lines 2a, 2b, 2c, 2d and 2e.

**ADDITIONS**

**Line 4a. Interest**

Enter the gross amount of interest income received or accrued with respect to all obligations of any state, territory or possession of the United States or any political subdivision of the foregoing, or the District of Columbia other than Rhode Island or its political subdivisions not included on Lines 5 and 10 of U.S. Form 1120.

**Line 4b. Rhode Island Corporate Taxes**

Enter the Rhode Island income, and franchise taxes paid or accrued which are deducted on the federal return on Lines 2 or 17 for the taxable year.

**Line 4c. Bonus Depreciation Adjustment**

Enter the entity’s bonus depreciation amount less its normal depreciation amount.

**Line 4d. Addback of captive REIT dividends paid deduction**

Enter the deducted amount of captive Real Estate Investment Trust dividends paid that must be added back. This amount should include only those dividends paid on or after July 1, 2007.

**Line 5. Total Additions**

Add lines 4a, 4b, 4c and 4d.

**APPORTIONED TAXABLE INCOME**

**Line 6. Adjusted Taxable Income**

Subtract the total deductions amount on Line 3 from the Federal Taxable Income amount on Line 1. Add to that the total additions amount on Line 5.

**Line 7. Rhode Island Apportionment Ratio**

Complete schedule F. Enter the amount from Line 5, schedule F.

**Line 8. Apportioned Rhode Island Taxable Income**

Multiply your adjusted taxable income amount from Line 6 times the Rhode Island Apportionment Ratio from Line 7.

**Line 9. Research and Development**

See instructions on reverse side of Elective Deduction for Research and Development Facilities form (Form RI-1120RD).

**Line 10a. Pollution Control and hazardous waste adjustment**

Every taxpayer, at his election, shall be entitled to a deduction with respect to the amortization of the adjusted basis of any treatment facility, as defined in section 44-11-11.1(A) or any hazardous waste recycling, refuse, or treatment facilities as defined in section 44-11-11.2 based on a period of sixty (60) months.

**Line 10b. Capital Investment Deduction**

The General Laws provide for a deduction for purposes of computing net income in accordance with Chapter 44-11, for investments in certified venture capital partnerships. Taxpayers claiming this deduction for investments in certified venture capital partnerships must provide copies of certifications from the Department of Economic Development of the Venture Capital Partnership.

**Line 11. Total Adjustments**

Add lines 9, 10a and 10b.

**Line 12. Rhode Island Adjusted Taxable Income**

If the amount on Line 11 is a positive number, add it to the amount on Line 8. If the amount on Line 11 is a negative number, subtract it from the amount on Line 8.

**Line 13. Rhode Island Income Tax**

Multiply the amount on Line 12 by 9% (0.0900).

**Line 14. Rhode Island Credits**

Enter the credit form number from the following chart along with the amount of the credit. If more than three credits are being used, attach a separate listing of all credits being utilized. Put the total of all credits on Line 14.

RI-3468 Income Tax Credit
RI-7695P Research & Development Property
RI-7695E Research & Development Expense
RI-2441 Daycare Assistance and Development Credit
2N02 Enterprise Zone Wage Credit
HIST Historic Preservation Investment Tax Credit
FILM Motion Picture Production Company Tax Credit
RI-3249 Job Training Expenses Credit
SC-3808 Employers’ Worksite Adult Education Credit
RI-2776 Credit for Contributions to Qualified Scholarship Org.

All supporting documentation for any credit being used must be attached to the RI-1120C in order for credit to be given. If complete documentation is not submitted, the credit will be disallowed until the documentation is provided.

**Line 15. Tax After Credits**

Subtract the amount of credits from Line 14 from the Rhode Island Income Tax Amount from Line 13. If the franchise tax calculated is greater than $500.00, enter that calculated amount. However, if the amount is less than $500.00, enter $500.00. This is your tax.

In the case of a domestic corporation or a foreign corporation qualified to do business in this state, if the actual franchise tax on its authorized capital (Chapter 44-12) exceeds the amount paid with the filing of the return, the Tax Administrator shall mail a notice to the taxpayer of any additional tax due. Franchise tax is calculated at $2.50 per $10,000.00 of authorized capital.
Line 16. Other Additions - Enter the total of (a) and (b) on this line.

(a) Recapture of Credits
The formula to be used to compute the recapture on investment tax credit is: The tax credit taken on property ceasing to qualify times a fraction consisting of a numerator which is the useful life of property in months minus the qualified use in months and a denominator which is the useful life of property in months. If property is disposed of in the initial taxable year, see the specific instructions on Form RI-3468.

(b) Jobs Growth Tax
Enter 5% of the aggregate performance-based compensation paid to eligible employees per the Jobs Growth Act (44-64.11-5).

Line 17. Tax Due
Add the amount from Lines 16 to the amount from Line 15.

Line 18. Estimated Tax Payments
Enter the total estimated tax payments made with respect to the taxable year, if any, including any credit allowed from the preceding taxable year.

Line 19a. Other Payments
Enter the amount of all other tax payments (i.e. extension payment) made with respect to the taxable year.

Line 19b. Rhode Island Pass-through Withholding Payments
Enter the amount of any nonresident withholding payments made on the corporation's behalf by any pass-through entities. A copy of the RI 1099PT issued to the corporation must be attached to the RI-1120C in order for the credit to be given. Failure to attach a copy will result in the disallowance of the pass-through withholding amount until documentation is provided.

Line 20. Total Payments
Add the amounts from Lines 18, 19a and 19b.

Line 21. Net Tax Due
Subtract the amount on Line 20 from the amount on Line 17.

Line 22. Interest and Penalty Calculation
Enter the total of (a), (b) and (c) on this line.

(a) Interest on the balance due
For failure to pay the tax on time, interest at the rate of 18% (0.1800) per year; or 1.5% (0.0150) per month, shall be assessed.

(b) Penalty on the balance due
For failure to file the return on time, a penalty at the rate of 5% (0.0500) per month not to exceed 25% (0.2500) shall be assessed.

(c) Interest for underpayment of estimated taxes
In case of any underpayment of the estimated tax by a corporation there shall be added to the tax as the case may be by the taxable year, an amount determined at the rate of 18% per annum upon the amount of the underpayment for the period of the underpayment. The amount of the underpayment shall be the excess of the installment or installments which would be required to be paid if the advance payments were equal to eighty percent (80%) of the tax shown on the return for the taxable year or, if no return was filed, thirty percent (30%) of the tax for the period of the underpayment. The law provides for the assessment of a penalty of 5% of the tax imposed on such corporations for such taxable year for failure to file required estimated tax payments.

Line 23. Total Due with the Return
Add Lines 21 and 22. The amount is due and payable when the return is filed.

Line 24. Overpayment
If Line 20 is more than Line 17, this is the amount of your overpayment.

Line 25. Amount to be Applied to 2008 Estimated Tax
Enter the amount of the overpayment from Line 24 that is to be credited against next year's estimated tax. The amount on this line may be adjusted by the Tax Administrator.

Line 26. Amount to be refunded.
Subtract Line 25 from Line 24.