



2007 RI-1041

Rhode Island Fiduciary Income Tax Return and Instructions



www.tax.ri.gov



RI-1041 FIDUCIARY INCOME TAX RETURN

GENERAL INSTRUCTIONS

WHO MUST FILE

The fiduciary of a **RESIDENT** estate or trust must file a return on Form RI-1041 if the estate or trust:

- (1) is required to file a federal income tax return for the taxable year or
- (2) had any Rhode Island taxable income for the taxable year.

The fiduciary of a **NONRESIDENT** estate or trust must file a return on Form RI-1041 if the estate or trust had income or gain derived from Rhode Island sources.

DEFINITIONS

A **RESIDENT ESTATE** is the estate of a decedent who at his death was a resident individual in this state.

A **RESIDENT TRUST** means, to the extent that one or more beneficiaries are residents in Rhode Island:

- (A) A trust created by will of a decedent who at his death was a resident individual in this state, or
- (B) A revocable trust which becomes irrevocable upon the occurrence of any event (including death) which terminates a person's power to revoke, but only after the event, and only if the person having the power to revoke was a Rhode Island resident individual at the time of such event, or
- (C) An irrevocable trust created by or consisting of property contributed by a person who is a resident individual in this state at the time the trust was created or the property contributed (a) while such person is alive and a resident individual in this state, and (b) after such person's death if such person died a resident individual of this state.

WHAT SCHEDULES TO COMPLETE

All estates and trusts must complete schedule I. If the trust has a nonresident beneficiary, follow the instructions for a nonresident estate or trust.

RESIDENT ESTATES AND TRUSTS: Complete schedule I and enter 1.000 on page 1, line 14. If the estate or trust is claiming credit for income taxes paid to another state, complete schedule I, schedule III and enter 1.000 on page 1, line 14.

NONRESIDENT ESTATES AND TRUSTS: If all the income of the estate or trust is derived solely from Rhode Island sources, complete schedule I and enter 1.0000 on page 1, line 14. If the estate or trust has taxable income both within and without Rhode Island, complete schedules I and II.

PERIODS TO BE COVERED

The fiduciary taxable year for Form RI-1041 shall be the same as the federal taxable year.

PAYMENTS OR REFUNDS

PAYMENTS: Any tax due must be paid in full with the return. Make check or money order payable to the Rhode Island Division of Taxation. An amount due of less than one dollar (\$1) need not be paid.

REFUNDS: If an overpayment of income tax is shown on the return, a refund will be issued unless indicated on the return that such overpayment is to be credited to the fiduciary's estimated tax liability for 2008. No other application for refund is necessary. Please note that no refund can be issued unless the return is properly signed. Refunds of less than \$1.00 will not be paid unless specifically requested.

SIGNATURE

The Rhode Island Fiduciary Income Tax Return must be signed. 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.

WHOLE DOLLAR AMOUNTS

The money items may be shown as whole dollar amounts. Any amount under 50 cents may be eliminated and any amount that is 50 cents or more must be increased to the next highest dollar.

ACCOUNTING PERIODS AND METHODS

The accounting period for which Form RI-1041 is filed and the method of accounting used are the same as for federal income tax purposes. If the taxable year or the method of accounting is changed for federal income tax purposes, such change applies similarly to the Rhode Island fiduciary return.

REPORT OF CHANGE IN FEDERAL TAXABLE INCOME

If the amount of the federal taxable income is changed or corrected by the Federal Government, the fiduciary must report to the Rhode Island Division of Taxation such change or correction within 90 days after the final determination of such change or correction. Any fiduciary filing an amended federal income tax return must also file within 90 days thereafter an amended Rhode Island return.

WHEN AND WHERE TO FILE

The due date is April 15, 2008 for returns filed for the calendar year 2007 and the 15th day of the fourth month following the close of the taxable year for returns filed for a year ending other than December 31. Mail your return to:

State of Rhode Island
Division of Taxation
One Capitol Hill
Providence, RI 02908-5806

EXTENSION OF TIME

Any extension of time granted for filing a Rhode Island Fiduciary Income Tax Return shall not operate to extend the time for the payment of any tax due on such return.

In General -

- (1) A fiduciary that is required to file a Rhode Island Fiduciary Income Tax Return shall be allowed an automatic six month extension of time to file such return.
- (2) An application must be prepared in duplicate on form RI-8736.
- (3) The original of the application must be filed on or before the date prescribed for the filing of the return of the fiduciary with the Rhode Island Division of Taxation.
- (4) Such application for extension must show the full amount properly estimated as tax for such fiduciary 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.

NOTE: If no payment is required to be made with the Rhode Island extension form and the fiduciary is filing a federal extension form for the same period of time, **the fiduciary does not need to submit the Rhode Island form.** Attach a copy of the Federal Form 8736 to the Rhode Island Fiduciary Income Tax Return at the time it is submitted.

WHERE TO GET FORMS

Additional forms and instructions may be obtained from:

The website: www.tax.ri.gov
The Division of Taxation: (401) 574-8970

INTEREST

Any tax not paid when due, including failure to pay adequate estimated tax, is subject to interest at the rate of 18% (.18).

Interest on refunds of tax overpayments will be paid if the refund is not paid within 90 days of the due date or the date the completed return was filed, whichever is later. The interest rate for tax overpayments is 7.75% (.0775).

PENALTIES

The law provides for penalties in the following circumstances:

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

TECHNICAL ASSISTANCE

If you have any questions regarding completion of your return, further assistance may be obtained by calling Taxpayer Assistance at (401) 574-8829 and selecting option #3.

PAYMENT BY CREDIT CARD

To Pay by Credit Card. You may use your American Express® Card, Discover® Card, Visa® Card or MasterCard® card. To pay by credit card, call toll free or access by Internet the service provider listed on this page and follow the instructions of the provider. A convenience fee will be charged by the service provider based on the amount you are paying. You will be told what the fee is during the transaction and you will have the option to either continue or cancel the transaction. You can also find out what the fee will be by calling the provider's toll-free automated customer service number or visiting the provider's Web Site shown below. If you paid by credit card, enter on page 1 of Form RI-1041 in the upper left corner the confirmation number you were given at the end of the transaction and the amount of your tax payment (not including the convenience fee).

You may also use this method for making 2008 Rhode Island estimated income tax payments.

OFFICIAL PAYMENTS CORPORATION

Telephone payments:
1-800-2PAY-TAX (1-800-272-9829)
On line payments:
www.officialpayments.com
Customer Service:
1-877-754-4413

RI-1041 Rhode Island Fiduciary Income Tax Return

2007

You <u>must</u> check a box: <input type="checkbox"/> Estates and Trusts <input type="checkbox"/> Bankruptcy Estate <input type="checkbox"/> Amended Return	Name of Estate or Trust <hr/> Name and Title of Fiduciary <hr/> Address Line 1 <hr/> Address Line 2 <hr/> City, Town or Post Office State Zip Code	Federal Identification Number <hr/>
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Year End Calendar Year: January 1, 2007 through December 31, 2007 Fiscal Year: beginning _____, 2007 through _____, 20__.

Income	1. Federal total income of fiduciary - Federal Form 1041, line 9	1.	
	2. Modifications increasing federal total income	2.	
	3. Modifications decreasing federal total income (enter as a negative amount)	3.	
	4. Net modifications - combine lines 2 and 3 (attach a list of all modifications)	4.	
	5. Modified federal total income - combine lines 1 and 4 (add net increases or subtract net decreases)	5.	
	6. Federal total deductions - add Federal Form 1041, lines 16 and 21.....	6.	
	7. RI taxable income - subtract line 6 from line 5	7.	

Tax and Credits	8. A. RI income tax (check only one box) <input type="checkbox"/> RI Tax Computation Worksheet <input type="checkbox"/> RI Schedule D	8A.	
	B. Other RI taxes - Page 2, RI Schedule OT, line 51.....	8B.	
	9. RI alternative minimum tax from RI-1041, page 8, line 14.....	9.	
	10. Total RI tax to be allocated - add lines 8A, 8B and 9	10.	
	11. Allowable federal credits - Federal Form 1041, Schedule G, line 3	11.	
	12. RI percentage of allowable federal credits - multiply line 11 by 25% (0.25%).....	12.	
	13. RI tax after allowable federal credits before allocation - subtract line 12 from line 10 (not less than zero)	13.	
	14. Allocation - enter amount from page 2, line 39 (resident estate or trusts enter 1.0000)	14.	
	15. RI income tax after allocation - multiply line 13 by line 14	15.	
	16. Credit for income taxes paid to other states (resident estate or trust only) Enter amount from page 2, line 46	16.	
	17. Other RI credits - indicate credit form number(s) _____ attach form(s).....	17.	
	18. Total RI credits - add lines 16 and 17	18.	
	19. A. RI income tax after RI credits - subtract line 18 from line 15 (not less than zero)	19A.	
	B. Rhode Island Alternative Flat Tax from RI-1041, page 10, Schedule FT, line 11.....	19B.	
	C. Rhode Island Income Tax - Enter the SMALLER of line 19A or 19B..... <input type="checkbox"/> Check if Alternative Flat Tax method is used.	19C.	

Payments	20. A. RI 2007 income tax withheld (attach supporting documents).....	20A.	
	B. Payments on 2007 Form RI-1041ES and credits carried forward from 2006.....	20B.	
	C. Nonresident real estate withholding (nonresident estate or trust only).....	20C.	
	D. Withholding from pass through entities (nonresident estate or trust only).....	20D.	
	E. Other payments	20E.	
	F. Total payments - add lines 20A, 20B, 20C, 20D and 20E.....	20F.	

Amount Due	21. If line 19C is larger than line 20F, SUBTRACT line 20F from line 19C. This is the amount you owe. ☹️	21.	
	Check <input type="checkbox"/> if form RI-2210 is attached - enter interest due \$ _____ or enter zero.....		
Refund	22. If line 20F is larger than line 19C, SUBTRACT line 19C from 20F. This is the amount you overpaid. 😊	22.	
	23. Amount of overpayment to be refunded	23.	
	24. Amount of overpayment to be applied to 2008 estimated tax	24.	

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 of fiduciary or officer representing fiduciary Date

Sign Here ➡

May the Division contact your preparer about this return? Yes

Signature of preparer other than fiduciary SSN, PTIN or EIN Telephone Number

SCHEDULE I BENEFICIARY INFORMATION (All estates and trusts must complete this schedule)

	Name	Address	State of Residence	Social Security Number
25. Beneficiary				
26. Beneficiary				
27. Beneficiary				

If more space is needed, please attach the required information on a separate sheet of paper.

SCHEDULE II ALLOCATION AND MODIFICATION (To be completed by trusts and estates with nonresident beneficiaries)

	Column A	Column B	Column C	Column D	Column E
	Percent of beneficiaries' interest (must equal 100%)	Column A times total federal income page 1, line 1	Column A times total net modifications page 1, line 4	Combine Columns B and C. (add net increases or subtract net decreases.)	Residents enter amount from col D. Nonresidents enter RI source income from col B.
		Total Federal Income	Modifications to Federal Income	Modified Federal Income	Total Rhode Island Source Income
Resident Beneficiaries	28. Beneficiary				
	29. Beneficiary				
	30. Beneficiary				
	31. Beneficiary				
Nonresident Beneficiaries	32. Beneficiary				
	33. Beneficiary				
	34. Beneficiary				
	35. Beneficiary				
36. Total	100%				
37. Modifications to Rhode Island source income - Enter amount from column C that is included in column E					37.
38. Modified Rhode Island source income - combine lines 36, column E and 37 (add net increases - subtract net decreases).					38.
39. RI allocation - divide line 38 by line 36, column D (not greater than 1.000) - enter here and on RI-1041, page 1, line 14.					39.

SCHEDULE III CREDIT FOR INCOME TAXES PAID TO ANOTHER STATE

(resident estates or trusts only - a signed copy of the other state return must be attached)

40. RI income tax after allowable federal credits - page 1, line 13	40.	
41. Income from other state	41.	
42. Modified federal total income - page 1, line 5	42.	
43. Divide line 41 by line 42	43.	_____
44. Multiply line 40 by line 43	44.	
45. Tax due and paid to other state Insert name of state paid _____	45.	
46. Maximum tax credit (line 40, 44 or 45, whichever is the SMALLEST). Enter here and on RI-1041, page 1, line 16	46.	

RI SCHEDULE OT OTHER RHODE ISLAND TAXES (Tax on lump-sum distributions and recapture of federal tax credits)

47. Tax on lump-sum distributions - Federal Form 1041, Schedule G, line 1b	47.	
48. Amount of recapture of Federal tax credits - Federal Form 1041, Schedule G, line 5	48.	
49. Total - Add lines 47 and 48	49.	
50. RI percentage	50.	25%
51. Tax - Multiply line 49 by line 50 - Enter here and on RI-1041, page 1, line 8B	51.	

Name of Estate or Trust

Federal Identification Number

PART 1 - SHORT-TERM CAPITAL GAINS (Assets held one year or less)

If additional room is needed to list assets sold, use RI Schedule D-1 on page 6. Enter the totals from D-1 on line 2 of Schedule D.

(a) Description of property	(b) Date acquired (month, day, year)	(c) Date sold	(d) Sales price	(e) Cost or other basis	(f) Gain or loss subtract (e) from (d)
1.					
2. Enter your short-term totals, if any, from RI Schedule D-1, line 2 ..	2.				
3. Total short-term sales price - Add amounts from lines 1 and 2 in column (d).....	3.				
4. Short-term gain from Federal Form 6252 and short-term gain or loss from federal forms 4684, 6781 and 8824.....	4.				
5. Net short-term gain or loss from partnerships, S corporations, and other estates and trusts from Federal Schedule(s) K-1.....	5.				
6. Short-term loss carryover from 2006.....	6.				
7. NET SHORT-TERM CAPITAL GAIN OR (LOSS) . combine lines 1 through 6 in column (f).....	7.				

PART 2 - LONG-TERM CAPITAL GAINS (Assets held more than one year)

If additional room is needed to list assets sold, use RI Schedule D-1 on page 7. Enter the totals from D-1 on line 9 of Schedule D.

(a) Description of property	(b) Date acquired (month, day, year)	(c) Date sold	(d) Sales price	(e) Cost or other basis	(f) Gain or loss subtract (e) from (d)	(g) Qualified 5 year gain or loss (see instructions)
8.						
9. Enter your long-term gain, if any, from RI Schedule D-1, line 9	9.					
10. Total long-term sales price - Add amounts from lines 8 and 9 in column (d).....	10.					
11. Gain from Federal Form 4797, Part 1; long-term gain from Federal Forms 2439 and 6252; and long-term gain or loss from federal forms 4684, 6781 and 8824.....	11.					
12. Net long-term gain or loss from partnerships, S corporations, and other estates and trusts from Federal Schedule(s) K-1.....	12.					
13. Capital gain distributions.....	13.					
14. Long-term capital loss carryover	14.					
15. Qualified 5 year gain (loss). Combine lines 8 through 13 in column (g). Enter in part 3, line 20, column (a)..	15.					
16. Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Also enter in part 3, line 18...	16.					

PART 3 - SUMMARY OF PARTS 1 & 2

(a) Total	Beneficiaries' Share		Estate's or Trust's Share	
	(b) Gain or loss	(c) Qualified 5 year Gain or loss	(d) Gain or loss	(e) Qualified 5 year Gain or loss
17. Net short-term gain or (loss) from part 1, line 7.....				
18. Net long-term gain or (loss) from part 2, line 16.....				
19. Total net gain or (loss). Combine lines 17 and 18. (If zero or less, enter zero.).....				
20. Qualified 5 year gain or loss from part 2, line 15.....				
21. Unrecaptured Federal section §1250 gain				
22. Federal 28% rate gain.....				
23. Federal Form 4952, line 4g.....				

Name of Estate or Trust	Federal Identification Number
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PRIMARY TAX CALCULATION

1. RI taxable income, RI-1041, line 7 **(IF THIS LINE IS ZERO OR LESS, DO NOT COMPLETE THIS FORM)**..... 1. _____
2. Enter the **SMALLER** of RI-1041 Schedule D, lines 18 or 19, column (d) 2. _____
3. Enter the amount from RI-1041 Schedule D, line 23..... 3. _____
4. Subtract line 3 from line 2. **(If zero or less, enter zero.)**..... 4. _____
5. Combine RI-1041 Schedule D, lines 17 and 22, column (d) **(If zero or less, enter zero.)**..... 5. _____
6. Enter the **SMALLER** of line 5 or RI-1041 Schedule D, line 22, column (d) 6. _____
7. Enter the amount from RI-1041 Schedule D, line 21, column (d) 7. _____
8. Add lines 6 and 7..... 8. _____
9. Subtract line 8 from line 4. **(If zero or less, enter zero.)**..... 9. _____
10. Subtract line 9 from line 1. **(If zero or less, enter zero.)**..... 10. _____
11. Enter the **SMALLER** of :
 - the amount on line 1 above **OR**
 - \$2,150} 11. _____
12. Enter the **SMALLER** of line 10 or 11..... 12. _____
13. Subtract line 4 from line 1. **(If zero or less, enter zero.)**..... 13. _____
14. Enter the **LARGER** of line 12 or line 13..... 14. _____
15. Figure the tax on the amount on line 14. Use the 2007 Rhode Island Fiduciary Tax Computation Worksheet..... 15. _____

2.5% BRACKET

16. Subtract line 12 from line 11..... 16. _____
17. Enter the amount from RI-1041 Schedule D, line 20, column (e) **(If zero or less, enter zero.)**..... 17. _____
18. Enter the **SMALLER** of line 16 or line 17..... 18. _____
19. Multiply line 18 by .83% (.0083)..... 19. _____
20. Subtract line 18 from line 16..... 20. _____
21. Multiply line 20 by 2.50% (.0250)..... 21. _____

5% BRACKET

22. Enter the **SMALLER** of line 1 or line 9..... 22. _____
23. Enter the amount from line 16 above..... 23. _____
24. Subtract line 23 from line 22..... 24. _____
25. Enter the **SMALLER** of line 22 or RI-1041 Schedule D, line 20, column (e) **(If zero or less, enter zero.)**..... 25. _____
26. Enter the **SMALLER** of line 16 or line 17 26. _____
27. Subtract line 26 from line 25..... 27. _____
28. Multiply line 27 by 1.67% (.0167)..... 28. _____
29. Subtract line 27 from line 24..... 29. _____
30. Multiply line 29 by 5% (.0500)..... 30. _____

CONTINUED ON NEXT PAGE

Name of Estate or Trust	Federal Identification Number
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6.25% BRACKET

31. Enter the **SMALLER** of line 4 or line 7..... 31. _____

32. Add lines 4 and 14..... 32. _____

33. Enter the amount from line 1..... 33. _____

34. Subtract line 33 from line 32..... 34. _____

35. Subtract line 34 from line 31 (If zero or less, enter zero.) 35. _____

36. Enter the **SMALLER** of line 35 or qualified 1250 gain, from RI-1041 Schedule D, line 21, column (e) 36. _____

37. Multiply line 36 by 2.08% (.0208)..... 37. _____

38. Subtract line 36 from line 35..... 38. _____

39. Multiply line 38 by 6.25% (.0625)..... 39. _____

7% BRACKET

40. Add lines 14, 18, 20, 27, 29, 36 and 38..... 40. _____

41. Subtract line 40 from line 1..... 41. _____

42. Enter the **SMALLER** of line 41 or qualified 7% gain from RI-1041 Schedule D, line 22, column (e) . 42. _____

43. Multiply line 42 by 2.33% (.0233)..... 43. _____

44. Subtract line 42 from line 41 44. _____

45. Multiply line 44 by 7.00% (.0700)..... 45. _____

TOTAL TAX

46. Add lines 15, 19, 21, 28, 30, 37, 39, 43 and 45..... 46. _____

47. Figure the tax on the amount on line 1. Use the 2007 Rhode Island Fiduciary Tax Computation Worksheet..... 47. _____

48. Tax on all taxable income (including capital gains). Enter the **SMALLER** of line 46 or line 47. Also, enter this amount on RI-1041, page 1, line 8A and check the RI Schedule D box..... 48.

Name of Estate or Trust

Federal Identification Number

PART 1 ALTERNATIVE MINIMUM TAX

- 1. Federal Alternative Minimum Taxable Income from Federal Form 1041, Schedule I, line 29..... 1.
2. Exemption - if line 1 is LESS than \$82,150; enter \$24,650. Otherwise, complete the exemption worksheet on page 10 2.
3. Subtract line 2 from line 1..... 3.
4. If you figured the tax on RI-1041, Schedule D, complete part 2 and enter the amount from line 55 here. If you figured the tax using the fiduciary tax rate schedule and line 3 is less than \$175,000 then multiply line 3 by 6.5% (.0650). Otherwise, multiply line 3 by 7% (.0700) and subtract \$875 from the result..... 4.
5. Alternative minimum tax foreign tax credit - Federal Form 1041, Schedule I, line 53..... 5.
6. RI Rate..... 6. 25%
7. Alternative minimum foreign tax credit - multiply line 5 by line 6..... 7.
8. Tentative minimum tax - subtract line 7 from line 4..... 8.
9. RI tax from RI-1041, page 1, line 8A..... 9.
10. Foreign tax credit from Federal Form 1041, Schedule G, line 2a..... 10.
11. RI Rate..... 11. 25%
12. Multiply line 10 by line 11..... 12.
13. RI income tax less foreign tax credit - subtract line 12 from line 9..... 13.
14. RI Alternative minimum tax - subtract line 13 from line 8 (If zero or less, enter zero). Enter here and on RI-1041, page 1, line 9. 14.

PART 2 ALTERNATIVE MINIMUM TAX USING MAXIMUM CAPITAL GAINS RATES

PRIMARY TAX CALCULATION

- 15. Enter the amount from line 3 above..... 15.
16. Enter the amount from RI-1041 Schedule D Tax WORKSHEET, line 9 (refigured for AMT, if necessary) 16.
17. Enter the amount from RI-1041 Schedule D Tax WORKSHEET, line 7 (refigured for AMT, if necessary) 17.
18. Enter the amount from RI-1041 Schedule D, line 22, column (e) (refigured for AMT, if necessary) 18.
19. Add lines 16, 17 and 18 19.
20. Enter the amount from RI-1041 Schedule D Tax WORKSHEET, line 4 (refigured for AMT, if necessary) 20.
21. Enter the SMALLER of line 19 or line 20 21.
22. Enter the SMALLER of line 15 or line 21 22.
23. Subtract line 22 from line 15 (If zero or less, enter zero.)..... 23.
24. If line 23 is less than \$175,000 then multiply line 23 by 6.5% (.0650). Otherwise, multiply line 23 by 7% (.0700) and subtract \$875 from the result..... 24.

2.5% BRACKET

- 25. Enter the amount from RI-1041 Schedule D Tax WORKSHEET, line 16 (refigured for AMT, if necessary) 25.
26. Enter the amount from RI-1041 Schedule D Tax WORKSHEET, line 17 (refigured for AMT, if necessary) 26.
27. Enter the SMALLER of line 25 or line 26..... 27.
28. Multiply line 27 by .83% (.0083)..... 28.
29. Subtract line 26 from line 25 (If zero or less, enter zero.) 29.
30. Multiply line 29 by 2.5% (.0250) 30.

CONTINUED ON NEXT PAGE

Name of Estate or Trust

Federal Identification Number

5% BRACKET

- 31. Enter the **SMALLER** of line 15 or line 16 ... 31. _____
- 32. Enter the amount from line 25 32. _____
- 33. Subtract line 32 from line 31 (If zero or less, enter zero.)..... 33. _____
- 34. Enter the **SMALLER** of line 26 or line 31 34. _____
- 35. Enter the **SMALLER** of line 25 or line 26 35. _____
- 36. Subtract line 35 from line 34 (If zero or less, enter zero.)..... 36. _____
- 37. Multiply line 36 by 1.67% (.0167) 37. _____
- 38. Subtract line 36 from line 33 (If zero or less, enter zero.)..... 38. _____
- 39. Multiply line 38 by 5% (.0500) 39. _____

6.25% BRACKET

- 40. Enter the **SMALLER** of line 17 or line 20 40. _____
- 41. Add lines 20 and 23 41. _____
- 42. Enter the amount from line 15 42. _____
- 43. Subtract line 42 from line 41 (If zero or less, enter zero.)..... 43. _____
- 44. Subtract line 43 from line 40 (If zero or less, enter zero.)..... 44. _____
- 45. Enter the **SMALLER** of line 44 or Qualified Gain from RI-1041 Schedule D, line 21, column (e) 45. _____
- 46. Multiply line 45 by 2.08% (.0208) 46. _____
- 47. Subtract line 45 from line 44 (If zero or less, enter zero.)..... 47. _____
- 48. Multiply line 47 by 6.25% (.0625) 48. _____

7% BRACKET

- 49. Add lines 23, 27, 29, 36, 38, 45 and 47 49. _____
- 50. Subtract line 49 from line 15 (If zero or less, enter zero.)..... 50. _____
- 51. Enter the **SMALLER** of line 50 or Qualified Gain from RI-1041 Schedule D, line 22, column (e)..... 51. _____
- 52. Multiply line 51 by 2.33% (.0233) 52. _____

TOTAL TAX

- 53. Add lines 24, 28, 30, 37, 39, 46, 48 and 52 53. _____
- 54. If line 15 is less than \$175,000 then multiply line 15 by 6.5% (.0650). Otherwise, multiply line 15 by 7% (.0700) and subtract \$875 from the result..... 54. _____
- 55. Enter the **SMALLER** of lines 53 or 54 here and on line 4 of Part 1..... 55.

Name of Estate or Trust

Federal Identification Number

1. Modified Federal income from RI-1041, page 1, line 5.....	1.	_____
2. RI Alternative Flat Tax rate.....	2.	7.5%
3. Flat Tax before allocation - Multiply line 1 by line 2.....	3.	_____
4. RI allocation from RI-1041, page 1, line 14.....	4.	_____
5. Flat Tax after allocation - Multiply line 3 by line 4.....	5.	_____

Resident Estates and Trusts only. If you are claiming a credit for taxes paid to other state, complete lines 6 thru 9. Otherwise, enter the amount from line 5 on line 11. NOTE: You must attach a signed copy of the other state return.

6. Income from other state.....	6.	_____
7. Divide line 6 by line 1.....	7.	_____
8. Tentative credit - Multiply line 5 by line 7.....	8.	_____
9. Tax due and paid to other state..... Insert name of state paid _____ ...	9.	_____
10. MAXIMUM credit - Line 5, 8 or 9 (whichever is the SMALLEST).....	10.	_____
11. RI Flat Tax after other state credit - subtract line 10 from line 5. Enter here and on RI-1041, page 1, line 19B.....	11.	<div style="border: 2px solid black; width: 100px; height: 20px;"></div>

EXEMPTION WORKSHEET for RI-1041, ALTERNATIVE MINIMUM TAX, part 1, line 2

NOTE: If RI-1041, Alternative Minimum Tax Schedule, part 1, line 1 is equal to or more than \$180,750, the exemption is zero. DO NOT complete this worksheet. Instead, enter the amount from RI-1041, line 1 on RI-1041, line 3 and go to RI-1041, line 4.

1. Exemption amount.....	1.	\$24,650
2. Alternative minimum taxable income from RI-1041, AMT Schedule page 8, line 1.....	2.	_____
3. Phase out of exemption amount.....	3.	\$82,150
4. Subtract line 3 from line 2 (If zero or less, enter zero.).....	4.	_____
5. Multiply line 4 by 25% (.25).....	5.	_____
6. EXEMPTION - subtract line 5 from line 1 (If zero or less, enter zero.) enter here and on RI-1041, AMT Schedule, page 8, line 2.....	6.	<div style="border: 2px solid black; width: 100px; height: 20px;"></div>

RI-1041 TAX RATE SCHEDULES

2007

These schedules are shown so you can see the tax rate that applies to all levels of taxable income. DO NOT use these schedules to calculate your Rhode Island tax. Instead, use the computation schedules below.

ESTATES AND NONGRANTOR TRUST

Taxable Income (line 7)		Pay	+	% on excess	of the amount over
Over	But not over				
\$ 0	\$ 2,150	\$ ---		3.75%	\$ 0
2,150	5,000	80.63	+	7.00%	2,150
5,000	7,650	280.13	+	7.75%	5,000
7,650	10,450	485.50	+	9.00%	7,650
10,450	737.50	+	9.90%	10,450

BANKRUPTCY ESTATES

Taxable Income (line 7)		Pay	+	% on excess	of the amount over
Over	But not over				
\$ 0	\$ 26,575	\$ ---		3.75%	\$ 0
26,575	64,250	996.56	+	7.00%	26,575
64,250	97,925	3,633.81	+	7.75%	64,250
97,925	174,850	6,243.63	+	9.00%	97,925
174,850	13,166.88	+	9.90%	174,850

RI-1041 TAX COMPUTATION WORKSHEET 2007

These schedules are to be used by calendar year 2007 taxpayers or fiscal year taxpayers that have a year beginning in 2007.

ESTATE OR NONGRANTOR TRUST use this schedule

		(a)	(b)	(c)	(d)	TAX (e)
If Taxable Income-RI-1041, line 7 is:		Enter the amount from RI-1041, line 7	Multiplication amount	Multiply (a) by (b)	Subtraction amount	Subtract (d) from (c) Enter here and on RI-1041, line 8A
At least	But not over					
\$0	\$2,150		3.75%		\$0.00	
\$2,150	\$5,000		7.00%		\$69.88	
\$5,000	\$7,650		7.75%		\$107.38	
\$7,650	\$10,450		9.00%		\$203.00	
Over \$10,450			9.90%		\$297.05	

BANKRUPTCY ESTATES use this schedule

		(a)	(b)	(c)	(d)	TAX (e)
If Taxable Income-RI-1041, line 7 is:		Enter the amount from RI-1041, line 7	Multiplication amount	Multiply (a) by (b)	Subtraction amount	Subtract (d) from (c) Enter here and on RI-1041, line 8A
At least	But not over					
\$0	\$26,575		3.75%		\$0.00	
\$26,575	\$64,250		7.00%		\$863.69	
\$64,250	\$97,925		7.75%		\$1,345.56	
\$97,925	\$174,850		9.00%		\$2,569.63	
Over \$174,850			9.90%		\$4,143.28	

SPECIAL INSTRUCTIONS FOR BANKRUPTCY ESTATES

1. A Bankruptcy Estate return does not relieve the individual debtor's obligation to file a RI-1040 or RI-1040NR.
2. The Bankruptcy Estate must have an Employer Identification Number. The Social Security Number of the individual cannot be used.
3. Use Form RI-1041 only as a transmittal for Form RI-1040 or RI-1040NR.
4. On the top of form RI-1040 or RI-1040NR write "**Bankruptcy Estate - DO NOT DETACH.**"
5. Compute the tax on Form RI-1040 or RI-1040NR using the Bankruptcy Estate tax rate schedule.
6. Attach Form RI-1040 or RI-1040NR to RI-1041.
7. Complete only the identification area at the top of Form RI-1041.
8. Enter the name of the individual in the following format: "John Q. Public Bankruptcy Estate."
9. Enter the name of the trustee in the following format: "Jane Smith, Trustee."
10. Enter the tax from line 15 of RI-1040 or line 15C of RI-1040NR on line 19C of RI-1041.

RI-1041 FIDUCIARY INCOME TAX RETURN

SPECIFIC INSTRUCTIONS

COMPLETE THE FEDERAL INCOME TAX RETURN FIRST

The Federal Fiduciary Income Tax Return is the basis for preparing your Rhode Island Fiduciary Income Tax Return. In general, the Rhode Island fiduciary income tax is based on the fiduciary's federal total income. Accuracy and attention to detail in completing the return in accordance with these instructions will facilitate the processing of your tax return.

Type of Return - Indicate by checking the appropriate box what type of return you are preparing. If you are preparing a bankruptcy estate, see the 2007 Rhode Island Fiduciary Tax Rate Schedules for instructions on how to file.

Names, Address and Federal Employer Identification Number - Make sure the names, address and federal employer identification number on the return are correct. Incorrect entries could delay the processing of your return.

Year End - Indicate by checking the appropriate box whether the fiduciary is a calendar or fiscal year filer. If the fiduciary is a fiscal year filer, indicate the beginning and the year-end of the fiduciary in the space provided. Only fiduciaries with a fiscal year beginning in 2007 may use this form.

Line 1 - Federal Total Income of Fiduciary: Enter the amount of income from Federal Form 1041, line 9.

Line 2 - Modifications Increasing Federal Total Income: Enter the amount of modifications increasing federal total income.

Examples of modifications increasing federal income:

- (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 total income or taxable income.
- (5) Bonus depreciation that has been taken for federal purposes that must be added back to Rhode Island income.
- (6) Depreciation that has not been taken for federal purposes because of the increased section 179 depreciation was not taken originally.

Line 3 - Modifications Decreasing Federal Income: Enter as a negative number the amount of modifications decreasing federal income.

Examples of modifications decreasing federal income:

- (1) Income from obligations of the United States Government to the extent included in gross

income for federal tax purposes but exempt for state purposes. Example - United States Government Series E 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 laws of the United States.
- (4) Depreciation that has not been taken for federal purposes because of the bonus depreciation that must be subtracted from Rhode Island income.
- (5) Increased Section 179 depreciation that has been taken for federal purposes that must be added back to Rhode Island income.

Line 4 - Net Modifications: Combine lines 2 and 3.

Line 5 - Modified Federal Total Income: Combine lines 1 and 4. Add net increases or subtract net decreases, whichever applies.

Line 6 - Federal Total Deductions: Enter the amount of federal deductions from Federal Form 1041, lines 16 and 21. **However, if the fiduciary claimed modifications to federal total income, the fiduciary may need to recalculate the federal total deductions based on the fiduciary's modified federal total income. Attach a copy of the calculation to the return.**

Line 7 - Rhode Island Taxable Income: Subtract line 6 from line 5.

Line 8A - Rhode Island Income Tax: Enter the RI tax from the RI Fiduciary Tax Computation Worksheet or RI Schedule D, whichever applies. Check the box to indicate the method used to calculate the RI tax. Check only one box.

Line 8B - Other Rhode Island Taxes: Enter the amount of other RI taxes from RI Schedule OT, page 2, line 51.

Line 9 - Rhode Island Alternative Minimum Tax: If the fiduciary is reporting an alternative minimum tax on the Federal Fiduciary Income Tax Return, the fiduciary must complete the AMT Schedule on page 8 and enter the amount from page 8, part 1, line 14 on page 1, line 9 of Form RI-1041. **However, if the fiduciary claimed modifications to federal total income, the fiduciary may need to recalculate the federal alternative minimum tax based on the fiduciary's modified federal total income. If the fiduciary did not report a federal alternative minimum tax, but a federal alternative minimum tax would be required based on the modified federal total income, the fiduciary must calculate a federal alternative minimum tax for Rhode Island purposes.**

Line 10 - Total RI Tax To Be Allocated: Add lines 8A, 8B and 9.

Line 11 - Allowable Federal Credits: Enter amount from Federal Form 1041, schedule G, line 3.

Line 12 - RI Percentage of Allowable Federal Credits: Multiply line 11 by 25% (.25).

Line 13 - RI Tax After Allowable Federal Credits Before Allocation: Subtract line 12 from line 10.

Line 14 - Allocation: Nonresident estates or trusts enter the amount from page 2, schedule II, line 39. Resident estates or trusts enter 1.0000.

Line 15 - RI Income Tax After Allocation: Multiply the amount on line 13 by the percentage on line 14.

Line 16 - Credit For Income Taxes Paid To Other States: Resident estates or trusts only. Enter the amount from page 2, schedule III, line 46.

Line 17 - Other RI Credits: Enter the amount of RI credits. Indicate the credit form number in the space provided and attach the credit form and all supporting documentation to the RI-1041.

Line 18 - Total RI Credits: Add lines 16 and 17.

Line 19A - RI Income Tax After RI Credits: Subtract line 18 from line 15. **(If zero or less, enter zero.)**

Line 19B - Alternative Flat Tax: Enter the amount of Rhode Island Alternative Flat Tax from page 10, RI Schedule FT, Line 11.

Line 19C - Rhode Island Tax: Enter the **SMALLER** of your RI tax on line 19A or your RI Alternative Flat Tax on line 19B. If your tax is calculated using the Alternative Flat Tax Method on Schedule FT, make sure you check the box on line 19C.

Line 20A - RI Income Tax Withheld: Enter total amount of Rhode Island 2007 income tax withheld. (Attach the 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 20B - Payments on 2007 Form RI-1041ES and Credits Carried Forward From 2006: Enter the amount of estimated payments on 2007 Form RI-1041ES and the amount applied from the fiduciary's 2006 return.

Line 20C - Nonresident Real Estate Withholding: Enter the amount of Rhode Island income tax withheld on sales of real estate located in Rhode Island.

Line 20D - Nonresident withholding from pass-through entities: Enter the amount of pass-through withholding paid on the fiduciary's behalf from form RI 1099-PT, box 8 (attach Form RI 1099-PT to the return).

Line 20E - Other Payments: Enter any other payments, including advance payments made with the fiduciary's application for an automatic extension of time to file (Form RI-8736). Attach a copy of Form RI-8736 to the RI-1041.

Line 20F - Total Payments: Add lines 20A, 20B, 20C, 20D and 20E.

Line 21 - Amount Due: If the amount on line 19C is greater than the amount on line 20F, SUBTRACT line 20F from line 19C and enter the balance due on line 21. This is the amount the fiduciary owes. This amount is payable in full with the return. An amount due of less than one dollar (\$1) need not be paid. If

the fiduciary owes underestimating interest, complete Form RI-2210 and indicate the amount of interest due in the space provided on line 21. Add the interest to the amount due, enter the total on line 21 and include the total amount due with the return.

Line 22 - Overpayment: If the amount on line 20F is greater than the amount on line 19C, subtract line 19C from line 20F and enter the overpayment on line 22.

Line 23 - Refund: Enter the amount of the overpayment on line 22 that is to be refunded. Refunds of less than \$1.00 will not be paid unless specifically requested.

Line 24 - Overpayment to be applied to 2008: Enter the amount of overpayment on line 22, which is to be applied to the fiduciary's 2008 estimated tax.

RESIDENT ESTATE AND TRUST DEFINED

- (1) The Estate of a decedent who at his or her death was a resident individual of Rhode Island.
- (2) A revocable trust which becomes irrevocable upon the occurrence of any event which terminates a person's power to revoke if the person having the power to revoke is a Rhode Island resident at the time of such event.
- (3) A trust created by a will of a decedent who is a Rhode Island resident.
- (4) An irrevocable trust created by or consisting of property contributed by a person who is a Rhode Island resident at the time the trust was created or at the time of death is a Rhode Island resident.
- (5) In cases 2, 3 and 4 such trust is only a resident trust to the extent that the beneficiaries are Rhode Island residents.

WHAT SCHEDULES TO COMPLETE?

If the trust defined in cases 2, 3 or 4 has a nonresident beneficiary, follow the instructions for a nonresident estate or trust.

Resident Estates and Trusts:

- (1) Complete Schedule I and enter 1.0000 on page 1, line 14.
- (2) If you are claiming a credit for income tax paid to another state, complete Schedule III.

Nonresident Estates or Trusts:

- (1) If the taxable income of the estate or trust is derived solely from Rhode Island sources, complete Schedule I and enter 1.0000 on page 1, line 14.
- (2) If the estate or trust has taxable income both within and without Rhode Island, complete Schedules I and II.

SCHEDULE I BENEFICIARY INFORMATION

Lines 25 through 27 - Beneficiary Information: Enter in lines 25 through 27 the name, address, state of residence and social security number of each beneficiary. If additional space is required, attach a supporting schedule containing the required information.

SCHEDULE II ALLOCATION AND MODIFICATION

Lines 28 through 35 - Allocation and Modification

Column A - Percent Of Ownership: Enter in column A the percentage of ownership of each beneficiary.

Column B - Federal Income: Enter in column B the amount of federal income attributable to each of the beneficiaries and the fiduciary. Multiply the percent of ownership in column A by the fiduciary's total federal income from RI-1041, page 1, line 1.

Column C - Modifications To Federal Income: Enter in column C the amount of modifications to the income reported in column B for each of the beneficiaries and the fiduciary. Multiply the percent of ownership in column A by the fiduciary's net modifications from RI-1041, page 1, line 4. For examples of modifications see the instructions for lines 2 and 3 on the preceding page.

Column D - Modified Federal Income: Combine columns B and C. Add net increases or subtract net decreases.

Column E - Rhode Island Source Income: Enter in column E the amount of Rhode Island source income included in the following column:

Nonresidents: Enter the amount of Rhode Island source income included in column B. Examples of Rhode Island source income include business conducted in RI, RI rental property, wages earned in RI and sale or exchange of RI property.

Residents: Enter the amount from column D in column E.

Line 36, Columns B Through E - Total: Add the amounts in each column and enter the total on line 36 of each column.

Line 37 - Modifications to RI Source Income: Enter the amount of modifications in column C included in Rhode Island source income reported on line 36, column E.

Line 38 - Modified RI Source Income: Combine lines 36, column E and line 37. Add net increases or subtract net decreases.

Line 39 - RI Allocation: Divide line 38 by line 36, column D (not greater than 1.000). Enter here and on page 1, line 14.

SCHEDULE III CREDIT FOR INCOME TAXES PAID TO ANOTHER STATE

This schedule pertains only to the fiduciary of a resident estate or trust. The fiduciary of a resident estate or trust is entitled to a credit against its RI tax liability for income taxes paid to other states. The credit cannot exceed the RI tax on line 8A.

Line 40 - RI Income Tax After Allowable Federal Credits: Enter the amount from page 1, line 13.

Line 41 - Income From Other State: Enter the amount of income reported to the other state.

Line 42 - Modified Federal Total Income: Enter the amount from page 1, line 5.

Line 43 - Divide line 41 by line 42.

Line 44 - Multiply line 40 by line 43.

Line 45 - Tax Due and Paid To Other State: Enter the amount of tax due and paid to the other state.

Line 46 - Maximum Tax Credit: Enter the **SMALLER** of lines 40, 44 or 45. Enter here and on page 1, line 16.

RI SCHEDULE OT OTHER RHODE ISLAND TAXES

Line 47 - Tax on lump-sum distributions: Enter the amount from Federal Form 1041, Schedule G, line 1b.

Line 48 - Amount of recapture of Federal tax credits: Enter the amount from Federal Form 1041, Schedule G, line 5.

Line 49 - Total: Add lines 47 and 48.

Line 50 - RI percentage: The Rhode Island percentage is 25%.

Line 51 - Tax: Multiply line 49 by line 50. Enter here and on RI-1041, line 8B.

RI SCHEDULE D CAPITAL GAINS AND LOSSES

This form is to be used by estates or trusts reporting capital gains or figuring their tax on Federal Form 1041, Schedule D.

All capital gains and losses should be reported on this schedule regardless of where the asset was sold or located.

In general, Rhode Island uses Federal terminology for what constitutes a capital asset and the holding period of the asset unless otherwise stated.

Lines 1 through 8

Enter all sales and exchanges of capital assets. You must enter the details of each transaction on a separate line. If you have more than 5 transactions on line 1 or line 8, use RI-1041, RI Schedule D-1 to report the additional transactions.

Column (a) - Description of Property

Column (b) - Date Acquired

Column (c) - Date Sold

Column (d) - Sales Price

Column (e) - Cost or Other Basis

Column (f) - Gain or Loss

Column (g) - Qualified 5 Year Gain or Loss - RIGL §44-30-2.7

Enter in column (g) any gain or loss from column (f) for any capital asset that is held for more than 5 years. Generally, you must have acquired the asset before January 1, 2002 and sold it on or after January 1, 2007.

Only include in column (g) the amounts of qualified 5 year gain for ordinary long term gain. A qualified 5 year gain for a Federal Section §1250 gain or a Federal 28% rate gain is reported elsewhere on Rhode Island Schedule D.

Line 13 - Enter the amount of capital gains distributions.

Line 14 - Enter any long term loss carryover.

Generally, this will be the amount from Federal Schedule D, line 11.

Line 15 – Combine all qualified 5 year gains or losses reported on in lines 7 and 16, column (g). Do not include any qualified 5 year gains or losses for Federal 28% gain or Federal Section §1250 gain.

Line 16 – Combine all long term gains and losses reported on lines 8 and 14, column (f).

Line 17 – Enter the amount of the net short-term capital gain or (loss) from Part 1, line 7 in the Total column. In columns (b) and (d), enter the beneficiaries' share and the estate's share of column (a).

Line 18 – Enter the amount of the net long-term capital gain or (loss) from Part 2, line 16 in the Total column. In columns (b) and (d), enter the beneficiaries' share and the estate's share of column (a).

Line 19 – Combine any gain or loss reported on lines 17 and 18 for column (a). Do the same for column (b) and column (c).

Line 20 – Enter the amount of the Qualified 5 year gain or (loss) from Part 2, line 15 in the Total column. In columns (c) and (e), enter the beneficiaries' share and the estate's share of column (a).

Line 21 - Federal Section §1250 Gain Column (d)

Enter any amount from Part 2, lines 8 through 14, column (f) that is section §1250 gain.

Column (e)

Enter any amount from Part 2, lines 8 through 14, column (f) that is Federal section §1250 gain and was property held by the estate or trust for more than 5 years.

Line 22 - Federal 28% Gain Column (d)

Enter any amount from Part 2, lines 8 through 14, column (f) that is Federal 28% gain.

Column (e)

Enter any amount from Part 2, lines 8 through 14, column (f) that is Federal 28% gain and was property held by the estate or trust for more than 5 years.

Line 23 - Investment Interest Expense Deduction

Enter the amount from Federal Form 4952, line 4g.

RI SCHEDULE D TAX WORKSHEET

PRIMARY TAX CALCULATION

Line 1 - Rhode Island Taxable Income: Enter the amount from Form RI-1041, page 1, line 7. **(If this line is zero or less, do not complete this form.)**

Line 2 – Enter the **SMALLER** of RI Schedule D, lines 18 or 19, column (d).

Line 3 – Enter the amount of investment interest expense deduction from RI Schedule D, line 23.

Line 4 – Subtract line 3 from line 2. **(If zero or less, enter zero.)**

Line 5 – Combine net short term capital gains from RI Schedule D, line 17 and any Federal 28% rate gain from RI Schedule D, line 22, column (d). **(If zero or less, enter zero.)**

Line 6 – Enter the **SMALLER** of line 5 or Federal 28% rate gain from RI Schedule D, line 22, column (d).

Line 7 – Enter the amount of unrecaptured section 1250 gain from RI Schedule D, line 21, column (d).

Line 8 – Add lines 6 and 7.

Line 9 – Subtract line 8 from line 4. **(If zero or less, enter zero.)**

Line 10 – Subtract line 9 from line 1. **(If zero or less, enter zero.)**

Line 11 – Enter the **SMALLER** of the amount on line 1 **OR \$2,150.00**.

Line 12 – Enter the **SMALLER** of line 10 or line 11.

Line 13 – Subtract line 4 from line 1. **(If zero or less, enter zero.)**

Line 14 – Enter the **LARGER** of line 12 or line 13.

Line 15 – Figure the tax on the amount on line 14. Use the 2007 Rhode Island Fiduciary Tax Computation Worksheet.

2.5% BRACKET

Line 16 – Subtract line 12 from line 11.

Line 17 – Enter your qualified 5 year long term gain from RI Schedule D, line 20, column (e). **(If zero or less, enter zero.)**

Line 18 – Enter the **SMALLER** of line 16 or line 17.

Line 19 – Multiply line 18 by .83% (.0083).

Line 20 – Subtract line 18 from line 17.

Line 21 – Multiply line 20 by 2.50% (.0250).

5% BRACKET

Line 22 – Enter the **SMALLER** of line 1 or line 9.

Line 23 – Enter the amount from line 16 above.

Line 24 – Subtract line 23 from line 22.

Line 25 – Enter the **SMALLER** of line 22 or your net qualified long term gain from RI Schedule D, line 20, column (e). **(If zero or less, enter zero.)**

Line 26 – Enter the **SMALLER** of line 16 or line 17.

Line 27 – Subtract line 26 from line 25.

Line 28 – Multiply line 27 by 1.67% (.0167).

Line 29 – Subtract line 27 from line 24.

Line 30 – Multiply line 29 by 5% (.0500).

6.25% BRACKET

Line 31 – Enter the **SMALLER** of line 4 or line 7.

Line 32 – Add lines 4 and 14.

Line 33 – Enter the amount from line 1 above.

Line 34 – Subtract line 33 from line 32.

Line 35 – Subtract line 34 from line 31. **(If zero or less, enter zero.)**

Line 36 – Enter the **SMALLER** of line 35 **OR** the amount section 1250 gain that was held for more than 5 years from RI schedule D, line 21, column (e).

Line 37 – Multiply line 36 by 2.08% (.0208).

Line 38 – Subtract line 36 from line 35.

Line 39 – Multiply line 38 by 6.25% (.0625).

7% BRACKET

Line 40 – Add lines 14, 18, 20, 27, 29, 36 and 38.

Line 41 – Subtract line 40 from line 1.

Line 42 – Enter the **SMALLER** of line 41 **OR** qualified five year Federal 28% gain from RI schedule D, line 22, column (e).

Line 43 – Multiply line 42 by 2.33% (.0233).

Line 44 – Subtract line 42 from line 41.

Line 45 – Multiply line 44 by 7.00% (.0700).

TOTAL TAX

Line 46 – Add lines 15, 19, 21, 28, 30, 37, 39, 43 and 45.

Line 47 – Figure the tax on the amount on line 1. Use the 2007 Rhode Island Fiduciary Tax Computation Worksheet.

Line 48 – Tax on All Taxable Income (Including Capital Gains): Enter the **SMALLER** of line 46 **OR** line 47. Also, enter on RI-1041, page 1, line 8A and check the RI Schedule D box.

RI-6251 ALTERNATIVE MINIMUM TAX

PART 1 - ALTERNATIVE MINIMUM TAX

Line 1 – Federal Alternative Minimum Taxable Income: Enter your federal alternative minimum taxable income from Federal Form 1041, Schedule I, line 29.

Line 2 – Exemption: If line 1 is less than \$82,150, enter \$24,650. Otherwise, complete the Fiduciary Alternative Minimum Tax Exemption Worksheet on page 10 and enter the amount from line 6 on Fiduciary Alternative Minimum Tax Schedule, Part 1, line 2.

Line 3 – Subtract line 2 from line 1.

Line 4 – If you figured your tax on RI-1041, Schedule D, complete part 2 and enter the amount from line 55 on line 4. If you figured your tax using the fiduciary tax rate schedule and line 3 is less than \$175,000, multiply line 3 by 6.5% (.065). Otherwise, multiply line 3 by 7% (.07) and subtract \$875 from the result.

Line 5 – Enter the amount of alternative minimum tax foreign tax credit from Federal Form 1041, Schedule I, line 53.

Line 6 - The Rhode Island rate is 25% (.25).

Line 7 - Multiply line 5 by line 6.

Line 8 - Tentative Minimum Tax: Subtract line 7 from line 4.

Line 9 - Enter your Rhode Island tax from RI-1041, page 1, line 8A.

Line 10 - Foreign Tax Credit: Enter the amount from Federal Form 1041, Schedule G, line 2a.

Line 11 - The Rhode Island rate is 25% (.25).

Line 12 - Multiply line 10 by line 11.

Line 13 - Subtract line 12 from line 9.

Line 14 - RI Alternative Minimum Tax: Subtract line 13 from line 8. (If zero or less, enter zero.) Enter here and on RI-1041, page 1, line 9.

PART 2 - ALTERNATIVE MINIMUM TAX USING MAXIMUM CAPITAL GAINS RATES

NOTE: If you are required to refigure your Federal Form 1041, Schedule D for the AMT, your RI-1041, schedule D must also be refigured for AMT purposes, based on the refigured Federal Form 1041, Schedule D.

PRIMARY TAX CALCULATION

Line 15 - Enter the amount from part 1, line 3.

Line 16 - Enter the amount from RI-1041 Schedule D Tax **WORKSHEET**, line 9. (As refigured for AMT, if necessary.)

Line 17 - Enter the amount from RI-1041 Schedule D Tax **WORKSHEET**, line 7. (As refigured for AMT, if necessary.)

Line 18 - Enter the amount from RI-1041 Schedule D, line 22, column (e). (As refigured for AMT, if necessary.)

Line 19 - Add lines 16, 17 and 18.

Line 20 - Enter the amount from RI-1041 Schedule D Tax **WORKSHEET**, line 4. (As refigured for AMT, if necessary.)

Line 21 - Enter the **SMALLER** of line 19 or line 20.

Line 22 - Enter the **SMALLER** of line 15 or line 21.

Line 23 - Subtract line 22 from line 15.

Line 24 - If line 23 is less than \$175,000, multiply line 23 by 6.5% (.0650). Otherwise, multiply line 23 by 7% (.0700) and subtract \$875 from the result.

2.5% BRACKET

Line 25 - Enter the amount from RI-1041 Schedule D Tax **WORKSHEET**, line 16. (As refigured for AMT, if necessary.)

Line 26 - Enter the amount from RI-1041 Schedule D Tax **WORKSHEET**, line 17. (As refigured for AMT, if necessary.)

Line 27 - Enter the **SMALLER** of line 25 or line 26 (If zero, go to line 29).

Line 28 - Multiply line 27 by .83% (.0083).

Line 29 - Subtract line 26 from line 25.

Line 30 - Multiply line 29 by 2.5% (.0250).

5% BRACKET

Line 31 - Enter the **SMALLER** of lines 15 or 16.

Line 32 - Enter the amount from line 25.

Line 33 - Subtract line 32 from line 31. (If zero or less, enter zero.)

Line 34 - Enter the **SMALLER** of line 26 or line 31.

Line 35 - Enter the **SMALLER** of line 25 or line 26.

Line 36 - Subtract line 35 from line 34. (If zero or less, enter zero.)

Line 37 - Multiply line 36 by 1.67% (.0167).

Line 38 - Subtract line 36 from line 33.

Line 39 - Multiply line 38 by 5% (.0500).

6.25% BRACKET

Line 40 - Enter the **SMALLER** of line 17 or line 20.

Line 41 - Add lines 22 and 23.

Line 42 - Enter the amount from line 15.

Line 43 - Subtract line 42 from line 41.

Line 44 - Subtract line 43 from line 40. (If zero or less, enter zero.)

Line 45 - Enter the **SMALLER** of line 44 OR Qualified Gain from RI-1041 Schedule D, line 21, column (e).

Line 46 - Multiply line 45 by 2.08% (.0208).

Line 47 - Subtract line 45 from line 44.

Line 48 - Multiply line 47 by 6.25% (.0625).

7% BRACKET

Line 49 - Add lines 23, 27, 29, 36, 38, 45 and 47.

Line 50 - Subtract line 49 from line 15. (If zero or less, enter zero.)

Line 51 - Enter the **SMALLER** of line 50 or the amount of qualified gain from RI Schedule D, line 22, column (e).

Line 52 - Multiply line 51 by 2.33% (.0233).

Line 53 - Add lines 24, 28, 30, 37, 39, 46, 48 and 52.

Line 54 - If line 15 is less than \$175,000, multiply line 15 by 6.5% (.065). Otherwise, multiply line 15 by 7% (.07) and subtract \$875 from the result.

Line 55 - Enter the **SMALLER** of lines 53 or 54 here and on line 4 above.

RI-SCHEDULE FT ALTERNATIVE FLAT TAX METHOD

Line 1 - Modified Federal Income: Enter the Modified Federal income from RI-1041, page 1, line 5.

Line 2 - RI Alternative Flat Tax Rate: The RI Alternative Flat Tax Rate for 2007 is 7.5% (.075).

Line 3 - Flat Tax Before Allocation: Multiply line 1 by line 2.

Line 4 - RI Allocation: Enter the RI allocation from RI-1041, page 1, line 14.

NOTE: Resident estates and trusts, enter 1.0000 on this line. Nonresident estates and trusts, enter 1.0000 on this line if all income is derived from Rhode Island Sources.

Line 5 - Flat Tax After Allocation: Multiply line 3 by line 4.

LINES 6 THROUGH 10 - CREDIT FOR TAXES PAID TO ANOTHER STATE

(For Resident estates and trusts only)

NOTE: You only need to complete lines 6 through 10 if you are a resident estate or trust AND you are claiming a credit for income taxes paid to another state. If you are not claiming the credit, enter the amount from line 5 on line 11. Otherwise, continue to line 6.

Line 6 - Income From Other State: Enter the income from the other state.

Line 7 - Divide line 6 by line 1.

Line 8 - Tentative Credit: Multiply line 5 by Line 7.

Line 9 - Tax Due and Paid To Other State: Enter the amount of tax due and paid to the other state. Make sure to indicate the name of the state in the space provided.

NOTE: You must attach a signed copy of the other state return. Failure to attach a copy of the other state return could result in the credit being disallowed.

Line 10 - Maximum Credit: Enter the **SMALLER** of lines 5, 8 or 9.

Line 11 - RI Flat Tax: Subtract line 10 from line 5. If you are not claiming credit for income taxes paid to another state, enter the amount from line 5 on this line. Enter here and on page 1, line 19B.

NOTE: If you elect to use the Alternative Flat Tax, you must check the box on RI-1041, page 1, line 19c.

WHERE TO GET FORMS, INFORMATION AND TAX ASSISTANCE



On the World Wide Web

www.tax.ri.gov



Telephone

Information (401) 574-8829 Option #3
Forms (401) 574-8970



In person

Monday through Friday
8:30^{am} to 3:30^{pm}

**Free walk-in assistance and forms are available Monday through Friday 8:30^{am} to 3:30^{pm}.
One Capitol Hill · Providence, RI · 02908-5800**

The following non-profit organizations operate Low Income Tax Clinics partially funded by the IRS which assist qualified individuals with tax problems. While this is not a recommendation or endorsement by the R.I Division of Taxation, the information below is supplied as a public service.

Rhode Island Tax Clinic, Inc. (401) 421-1040
Rhode Island Legal Services, Inc. (401) 274-2652

Directions

From points south

Take 95 north to exit 23 (State Offices). At the end of the exit ramp, go straight through the traffic light onto State Street. Take your first right into the parking lots. The Department of Administration building is the second building on your left.

From points north

Take 95 south to exit 23 (State Offices). At the end of the exit ramp, you can only continue in one direction onto Charles Street. Take a left onto Ashburton Avenue (at the liquor store). This will lead you back onto Charles Street in the opposite direction. At the second traffic light, take a right onto Orms Street (at the Marriott). At the next traffic light, take a left onto State Street. Take your first right into the parking lots. The Department of Administration building is the second building on your left.

RHODE ISLAND DIVISION OF TAXATION MISSION STATEMENT

To assess and collect all revenue that the legislature places under the control of the Tax Administrator in the most efficient and cost effective manner and to foster voluntary compliance with the tax laws by instilling public confidence through professional, impartial and ethical conduct.
