

2007 INSTRUCTIONS FOR FORM RI 1096-PT

For more information on pass-through entity withholding or to obtain forms, refer to Rhode Island Division of Taxation's website : www.tax.ri.gov or call (401) 574-8970

GENERAL INFORMATION

Form RI 1096-PT is used to report the Rhode Island withholding of a pass-through entity with **nonresident** partners, members, beneficiaries and shareholders.

If the pass-through entity has no nonresident members, it is not required to file Form RI 1096-PT.

The pass-through entity is required to file Form RI 1096-PT showing the amount of Rhode Island withholding for all nonresident members for whom Rhode Island taxes were withheld. This does not include any nonresident members who have elected to file a composite return using Form RI 1040C-NE.

When filing Form RI 1096-PT, the pass-through entity **must** attach all corresponding Form RI 1099-PTs. Attach any Form RI 1099-PTs that were received by the pass-through entity to the **front** of Form RI 1096-PT. Attach any Form RI 1099-PTs that the pass-through entity issued to its members to the **back** of Form RI 1099-PT.

DUE DATE: A Sub S Corporation must file Form RI 1096-PT on or before the fifteenth day of the third month following the close of the pass-through entity's taxable year. (March 15, 2008 for a pass-through entity whose taxable year for federal income tax purposes is the calendar year). LLCs, Partnerships and Trusts must file Form RI 1096-PT on or before the fifteenth day of the fourth month following the close of the pass-through entity's taxable year. (April 15, 2008 for pass-through entity's whose taxable year for federal income tax purposes is the calendar year).

EXTENSION OF TIME TO FILE: An automatic six (6) month extension is available. While the extension will extend the date to file the return, it does not extend the date to pay any tax due with the RI 1096-PT. To file for an extension of time to file, complete Form RI-4868PT. The form must be filed on or before the original due date of the return along with payment of a properly estimated amount of tax due for the return.

SPECIFIC INSTRUCTIONS

Please complete the top of the return by filling in the entity's name, address and federal identification number. Also, please check off the entity type of the pass-through entity filing this Form RI 1096-PT and whether the pass-through entity has a calendar or fiscal year end. In addition, if the pass-through entity cannot distribute funds due to Federal or State restrictions, or if the nonresident members have less than \$1,000.00 in Rhode Island source income, please check off the appropriate box. If you are exempt from income tax, check off the Federal or State restriction box.

If you cannot distribute funds due to Federal or State restrictions or are exempt from income tax, Form RI 1096-PT must be submitted by the due date of the return with a statement explaining what is prohibiting the distribution of the funds along with all of the corresponding RI 1099-PTs. The RI 1099-PTs must contain the required information.

If all the nonresident members of the pass-through entity have Rhode Island source income less than \$1,000.00, Form RI 1096-PT must be filed as a zero return. All of the corresponding RI 1099-PTs should show the nonresident members' withholding as zero.

Form RI 1096-PT is not required to be filed if there are no nonresident members of the pass-through entity.

Line 1 – Using the appropriate column based on entity type, enter the amount of Rhode Island source income net of any modifications of all nonresident members who have not elected (using RI Form 1040C-NE) to be included in a composite filing, Form RI-1040C for this pass-through entity.

Line 2 – Rhode Island pass-through withholding rate. For C Corporations only, the rate is 9.0%. For Sub S Corporations, Individuals, LLCs, Partnerships and Trusts, the rate is 7.5%.

Line 3 – Multiply the Rhode Island source income of nonresidents (line 1) by the pass-through withholding rate (line 2) to calculate the pass-through withholding amount.

Line 4 – Total the pass-through withholding amounts from both columns.

Line 5 – Using the worksheet on the bottom of Form RI 1096-PT (lines 5a, 5b, 5c, 5d, 5e and 5f), total all payments made for Rhode Island nonresident real estate withholding, Rhode Island estimated payments made by the nonresident members for their Rhode Island Personal Income Tax returns, any excess Rhode Island withholding tax paid by the entity for members, any Historic Preservation Investment Tax Credit or Motion Picture Production Company Tax Credit that a member purchased and any other Rhode Island credit for the entity. **(Attach all credit documentation.)**

Line 6 – Subtract line 5 from line 4 for the tentative amount of Rhode Island withholding for members of the pass-through entity. This amount should not be less than zero. **If zero or less, enter zero.**

Line 7 – Enter the amount of estimated tax payments made on form RI 1096PT-ES.

Line 8a – Enter the amount of withholding that was withheld on behalf of the reporting entity by another pass-through entity. Enter the Federal Identification Number of the pass-through entity who withheld on your behalf on the line provided. Any RI 1099-PT received by the pass-through entity **must** be attached to the front of Form RI 1096-PT.

Line 8b - Enter any other payments made, including any payment made when filing for an extension using Form RI-4868PT. If an extension was filed, attach a copy of the extension and check the extension box on the return.

Line 9 – Total payments. Add lines 7 and 8.

Line 10 – Balance Due. Subtract line 9 from line 6. If balance due, remit payment along with RI-1096V. If zero or less, enter zero and allocate all withholding amounts to the RI 1099-PTs being issued. All issued RI 1099-PTs must be attached to the back of Form RI 1096-PT. In lieu of attaching multiple RI 1099-PTs that have been issued, a schedule consisting of all of the required information may be attached.

NOTE: The total withholding amount from all RI 1099-PTs that have been issued must equal the amount from line 6 or line 9, whichever is larger. The RI 1099-PTs should not include any amounts paid for nonresident real estate withholding. Enter the number of RI 1099-PTs issued in the box provided.

Sign and date the return. An officer representing the pass-through entity must sign and date the return. An unsigned return cannot be processed. Any paid preparer who prepares the return must also sign as "preparer." If you wish to allow the R.I. Division of Taxation to contact your paid preparer should questions arise regarding your return, please check the box above your preparer's name.

Make check payable to: R.I. Division of Taxation **and** mail return, 1099-PTs and check to:

R.I. Division of Taxation
One Capitol Hill
Providence, RI 02908-5806