1. RI taxable income, RI-1040 or RI-1040NR, line 7
   \( \text{(IF THIS LINE IS ZERO OR LESS, DO NOT COMPLETE THIS FORM)} \)........................................ 1.
   
2. Enter the amount of capital gains from Federal Form 1040, line 13 or 1040A, line 10............. 2.
   
3. Subtract line 2 from line 1 (if zero or less, enter zero) ......................................................................... 3.
   
4. Figure the tax on the amount on line 3. Use the 2008 RI Tax Table or Tax Computation Worksheet, whichever applies............. 4.
   
5. Enter the **SMALLER** of the amount on line 1 above OR
   - \$54,400 If Married filing jointly or Qualifying widow(er)
   - \$32,550 If Single
   - \$43,650 If Head of household
   - \$27,200 If Married filing separately
   
6. Is the amount on line 3 equal to or more than the amount on line 5?  
   - Yes. Leave lines 6 through 8 blank; go to line 9 and check the "NO" box.  
   - No. Enter the amount from line 3................................................................. 6.
   
7. Subtract line 6 from line 5.................................................................................................................... 7.
   
8. Multiply line 7 by 2.5% (.025).......................................................................................................................................................... 8.
   
9. Are the amounts on lines 2 and 7 the same?  
   - Yes. Leave lines 9 through 12 blank and go to line 13.  
   - No. Enter the **SMALLER** of line 1 or line 2................................................................. 9.
   
10. Enter the amount, if any, from line 7.................................................................................................... 10.

11. Subtract line 10 from line 9. (if zero or less, enter zero)........................................................................ 11.

12. Multiply line 11 by 5% (.05).............................................................................................................................................................. 12.

13. Add lines 4, 8 and 12 ............................................................................................................................................... 13.

14. Figure the tax on the amount on line 1. Use the 2008 RI Tax Table or Tax Computation Worksheet, whichever applies.......... 14.

15. Tax on all taxable income (**including capital gains**). Enter the **SMALLER** of line 13 or line 14. Also, enter this amount on RI-1040 or RI-1040NR, page 1, line 8A and check the RI Schedule CGW box........................................................................................................................................ 15.