IF A SUBSIDIARY FILING ON ITS OWN HAS A DIFFERENT FISCAL YEAR THAN ITS PARENT AND IS USING THE PARENT’S CALCULATED RATE REDUCTION, IT MAY ONLY USE THAT REDUCTION IF THE SUBSIDIARY’S FISCAL YEAR IS SUBSEQUENT TO THAT OF THE PARENT.

IF THE REDUCTION IS FOR A SUBSIDIARY, IT IS NECESSARY TO COMPLETE BOTH OF THE ABOVE SECTIONS.

ATTACH THIS FORM TO YOUR RI-1120C.

Rate Reduction Calculation

1. Adjusted Current Employment - Year Ending _____________________________ 
2. Measurement Ending Date - ____________________________________________ 
3. NEW EMPLOYMENT - Subtract Line 2 from Line 1 ...........................................
4. a. For Small Business Concerns (Base Employment Level of Less than 100 FTEs) - Divide Line 3 by 10. (Round down to nearest whole number) 
4b. All Others - Divide Line 3 by 50 - (Round down to nearest whole number) 
5. RATE REDUCTION - Line 4a or Line 4b times .0025 ...........................................
6. Adjusted Income Tax Rate - 9% (0.0900) less Line 5 ..........................................
7. Rhode Island Adjusted Taxable Income from RI-1120, Line 12 ..........................
8. Tax at Rhode Island Rate of 9% - Multiple Line 7 by .0900 ..............................
9. Tax at Reduced Rate - Multiply Line 7 by Rate on Line 6 .................................
10. Rate Reduction Tax Credit Amount - Subtract Line 9 from Line 8 - Enter the amount here and on RI-1120C, Schedule D, Line 14J ..........................................................