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 or her death was a resident individual of Rhode Island.

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

A. A trust created by a will of a decedent who at his or her death was a resident individual of Rhode Island, 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, or
D. An electing small business trust under regulations 1.641(c)-1 of the Internal Revenue Code,
E. In cases A, B and C such trust is only a resident trust to the extent that the beneficiaries are Rhode Island residents.

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:

1. Complete Schedule I and enter 1.0000 on page 1, line 9.
2. If the estate or trust is claiming credit for income taxes paid to another state, complete Schedules I and 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 9.
2. 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 2014. 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.

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, 2014 for returns filed for the calendar year 2013 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:
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.
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 website 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 2014 Rhode Island estimated income tax payments.

6 if the costs are paid or incurred in connection with the administration of the estate or trust, and would not have been incurred had the property not been held in the estate or trust.

In addition, the domestic production activity deduction and the net operating loss deduction may be included on Form RI-1041, line 6 to the extent they are included in Federal Form 1041, line 16. The net operating loss deduction may not be carried back for Rhode Island purposes, but will be allowed as a carry forward on Form RI-1041 to the extent the carry forward was used on Federal Form RI-1041.

Line 7 - Rhode Island Taxable Income: Subtract line 6 from line 5.
Line 8 - Rhode Island Income Tax: Enter the Rhode Island income tax from the RI Fiduciary Tax Computation Worksheet.

Line 9 - Allocation: Nonresident estates or trusts enter the amount from page 2, Schedule II, line 34. Resident estates or trusts enter 1.0000.
Line 10 - RI Income Tax After Allocation: Multiply the amount on line 8 by the percentage on line 9.
Line 11 - Credit For Income Taxes Paid To Other States: Resident estates or trusts only. Enter the amount from page 2, Schedule III, line 41.
Line 12 - Other RI Credits: Enter the amount of RI credits from page 5, RI Schedule CR, line 4. Enter the amount of each credit in the space provided and attach each required credit certificate or carry forward schedule to Form RI-1041.

Line 13 - Total RI Credits: Add lines 11 and 12.
Line 14A - Rhode Island Income Tax after Rhode Island Credits: Subtract line 13 from line 10. (If zero or less, enter zero.)

Line 14B - Recapture of Prior Year Other Rhode Island Credits: Enter amount of Credit Recapture from page 6, RI Schedule CR, line 7.

Line 14C – Electing Small Business Trust Tax: Enter the amount of Electing Small Business Trust income attributable to Rhode Island multiplied by the highest marginal income tax rate of 5.99%. The taxable income of the S-portion is determined by taking into account the Rhode Island source income of items of income, loss, deduction or credit and applying the highest marginal income tax rate.

Line 14D – Total Rhode Island Tax: Add lines 14A, 14B and 14C.

Line 15A - RI Income Tax Withheld: Enter total amount of Rhode Island 2013 income tax withheld from page 3, RI Schedule W, line 16. (Attach the state copy of all forms W-2, 1099s, etc. showing Rhode Island withholding 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.

Withholding from a Pass-through entity reported on a RI-1099PT should be entered on Schedule W and included in the amount for Line 15A.

RI Schedule W, and all forms W-2, 1099s, etc showing Rhode Island withholding must be attached to Form RI-1041.

Line 15B - Payments on 2013 Form RI-1041ES and Credits Carried Forward From 2012: Enter the amount of estimated payments on 2013 Form RI-1041ES and the amount applied from the fiduciary’s 2012 return.

Line 15C - Nonresident Real Estate Withholding: Enter the amount of Rhode Island income tax withheld on sales of real estate located in Rhode Island.

Line 15D - Other Payments: Enter any other payments, including advance payments made with the fiduciary’s application for an automatic extension of time of file (Form RI-8736). Attach a copy of Form RI-8736 to Form RI-1041 and check the box on the front of the return indicating that an extension is attached.

Line 15E - Total Payments: Add lines 15A, 15B, 15C and 15D.

Line 16A - Amount Due: If the amount on line 14D is greater than the amount on line 15E, SUBTRACT line 15E from line 14D and enter the balance due on line 16A.

Line 16B - Underestimating Interest: If the fiduciary owes underestimating interest, complete Form RI-2210, check the box and indicate the amount of interest due on line 16B.

Line 16C - Total Amount Due: Add lines 16A and 16B. This is the total 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.

Line 17 - Overpayment: If the amount on line 15E is greater than the amount on line 14D, subtract line 14D from line 15E and enter the overpayment on line 17.

If there is an amount due on line 16B for underestimating interest, subtract line 16B from line 17.
If the amount of understimating interest on line 16B is more than the amount of overpayment from line 17, subtract line 17 from line 16B and enter the result on line 16C.

**Line 18 - Refund:** Enter the amount of the overpayment on line 17 that is to be refunded. Refunds of less than $1.00 will not be paid unless specifically requested.

**Line 19 - Overpayment to be applied to 2014:** Enter the amount of overpayment on line 17, which is to be applied to the fiduciary's 2014 estimated tax.

**SCHEDULE I**

**BE NEFICIARY INFORMATION**

Lines 20 through 22 - Beneficiary Information Enter in lines 20 through 22 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 23 through 30 - 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 1.

**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 31, Columns B through E - Total:** Add the amounts in each column and enter the total on line 31 of each column.

**Line 32 - Modifications to RI Source Income:** Enter the amount of modifications in column C included in Rhode Island source income reported on line 31, column E.

**Line 33 - Modified RI Source Income:** Combine lines 31, column E and line 32. Add net increases or subtract net decreases.

**Line 34 - RI Allocation:** Divide line 33 by line 31, column D (not greater than 1.000). Enter here and on page 1, line 9.

**LINE 20 THROUGH 22 - BENEFICIARY INFORMATION**

**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 8.

If you are claiming credit for income taxes paid to more than one state, use Form RI-1041MU, Credit for Income Taxes Paid to Multiple States. Enter the applicable amounts from Form(s) RI-1041MU onto this schedule. Form RI-1041MU is available on our website, www.tax.ri.gov or by contacting the Rhode Island Division of Taxation at (401) 574-8970.

**Line 35 - Rhode Island Income Tax:** Enter the amount from page 1, line 8.

**Line 36 - Income From Other State:** Enter the amount of income reported to the other state.

If state income tax has been paid to more than one other state, prepare a separate calculation for each state on Form RI-1041MU. Enter the amount of income from other states from Form RI-1041MU, line 29.

If you need to use more than one Form RI-1041MU, add all of the line 29 amounts together and enter the total amount on line 36.

**Line 37 - Modified Federal Total Income:** Enter the amount from page 1, line 5.

**Line 38 - Divide line 36 by line 37.**

**Line 39 - Multiply line 35 by line 38.**

**Line 40 - Tax Due and Paid To Other State:** Enter the amount of tax due and paid to the other state.

If state income tax has been paid to more than one other state, prepare a separate calculation for each state, on Form RI-1041MU. Enter the amount of tax from Form RI-1041MU, line 30.

If you need to use more than one Form RI-1041MU, add all of the line 30 amounts together and enter the total amount on line 40.

In the space provided for the name of state to which income taxes were due and paid enter “MU”.

**NOTE:** You must attach a signed copy of the return filed with the other state(s). If you owe no tax to the other state(s) and are to be refunded all the taxes withheld or paid to the other state(s), enter $0.00 on line 40. If included on a composite filing in another state(s), you must attach a copy of the composite fil-

**Line 41 - Maximum Tax Credit:** Enter the SMALLER of lines 35, 39 or 40. Enter here and on page 1, line 11.

**SCHEDULE W**

**RHODE ISLAND W2 AND 1099 INFORMATION**

If claiming Rhode Island income tax withheld on Form RI-1041, page 1, line 15A, RI Schedule W must be completed and attached. See RI Schedule W for additional instructions.

**RI SCHEDULE M**

**RI MODIFICATIONS TO FEDERAL TOTAL INCOME**

**Modifications INCREASING Federal Total Income:**

**Line 2A –** Enter income from obligations of any state or its political subdivision, other than Rhode Island under RIGL §44-30-12(b)(1) and §44-30-12(b)(2).

**Line 2B –** Rhode Island fiduciary adjustment under RIGL §44-30-17. A fiduciary adjustment is allowed for a beneficiary for income that maintains its character as it flows from the fiduciary. For example, if the estate or trust has municipal bond interest from a state other than Rhode Island, the beneficiary would be allowed an adjustment for that municipal bond interest and would list that fiduciary adjustment on this line.

**Line 2C –** Recapture of Family Education Account Modifications under RIGL §44-30-25(g).

**Line 2D –** Bonus depreciation that has been taken for federal purposes that must be added back to Rhode Island income under RIGL §44-61-1.

**Line 2E –** Increased Section 179 depreciation that has been taken for federal purposes that must be added back to Rhode Island income under RIGL §44-61-1.1.

**Line 2F –** Recapture of Tuition Savings Program modifications (section 529 accounts) under RIGL §44-30-12(b)(4).

**Line 2G –** Recapture of Historic Structures Tax Credit or Motion Picture Production Company Tax Credit under RIGL §44-33.2-3(e)(2) and RIGL §44-31.2-9, respectively.

**Line 2H –** Recapture of Scituate Medical Savings Account modifications under RIGL §44-30-25.1(d)(3)(i).

**Line 2I –** Total Modifications Increasing Federal Total Income: Add lines 2A through 2H. Enter here and on page 1, Form RI-1041, line 2.
Line 3A – Enter income from obligations of the United States Government to the extent included in total income for federal tax purposes but exempt for state purposes. However, this amount shall be reduced by any investment interest incurred or continued on the obligation which has been taken as a federal itemized deduction. Example – US Government Series E bond interest incurred or continued on the obligation which has been taken as a federal itemized deduction.

Line 3B – Rhode Island fiduciary adjustment under RIGL §44-30-17. A fiduciary adjustment is allowed for a beneficiary for income that maintains its character as it flows from the fiduciary. For example, if the estate or trust has tax exempt interest, the beneficiary would be allowed an adjustment for the tax exempt interest and would list that fiduciary adjustment on this line.

Line 3C – Elective deduction for new research and development facilities under RIGL §44-32-1.

Line 3D – Railroad Retirement benefits included in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States.

Line 3E – Qualifying investment in a certified venture capital partnership under RIGL §44-43-2.

Line 3F – Family Education Accounts under RIGL §44-30-25(f).

Line 3G – Tuition Saving Program (section 529 accounts) RIGL §44-30-12(c)(4) - A modification decreasing federal adjusted gross income may be claimed for any contributions made to a Rhode Island account under the tuition savings program. The maximum modification shall not exceed $500, $1,000 if a joint return.

Line 3H – Exemptions from tax on profit or gain for writers, composers and artists residing within a section of the defined Economic Development Zone as defined in RIGL §44-30-1.1 within the cities of Newport, Providence, Pawtucket, Woonsocket or Warwick, or the Towns of Little Compton, Tiverton, Warren or Westerly and creating artistic works while a resident of the Zone.

Line 3I – Depreciation that has not been taken for federal purposes because of the bonus depreciation that must be subtracted from Rhode Island income - RIGL §44-61-1.

Line 3J – Depreciation that has not been taken for federal purposes because of the increased section 179 depreciation was not taken originally - RIGL §44-61-1.1.

Line 3K – Allowable modification for performance based compensation realized by an eligible employee under the Rhode Island Jobs Growth Act under RIGL §42-64.11-4.

RI SCHEDULE CR
OTHER RI CREDITS

CURRENT YEAR OTHER RI CREDITS:

This credit schedule details “Other Rhode Island Credits” being used on your RI-1041. Each Rhode Island credit has its own line. On the appropriate line, enter the dollar amount of the credit being taken. The total of all credits will be entered on page 1, Form RI-1041, line 12.

Proper documentation must be submitted for each credit you are using or carrying forward. If you are using amounts carried forward from prior years, attach a schedule showing the year of credit origination and any amounts used to date. Any missing or incomplete documentation may cause a delay in processing your return.

Pursuant to RIGL 44-30-2.6(c)(3)(E), only the aforementioned credits are allowed as credits against Rhode Island Fiduciary Income Tax. No other credits can be allowed. This also pertains to any carry forward of a credit that is not listed above.

If the credit you are trying to use is not listed below, that credit is no longer allowed against personal income tax. Entering an amount for an ineligible credit on one of these lines or on an attached statement will delay the processing of your return and result in the disallowance of the credit.

Line 1 - Tax Credits for Contributions to Scholarship Organizations - RI-2276 - for business entities that make contributions to qualified scholarship organizations. The entity must apply for approval of the tax credit and will receive a tax credit certificate issued by the Division of Taxation. The original certificate must be attached to the return. The credit must be used in the tax year that the entity made the contribution. Unused amounts CANNOT be carried forward. RIGL §44-62.

Line 2 - Historic Structures - Tax Credit (Historic Preservation Investment Tax Credit) - RI-286B - for approved rehabilitation of certified historic structures. The original certificate must be attached to the return. Any unused credit amount may be carried forward for ten (10) years. RIGL §44-33.2.

Note: This credit is for holders of a Historic Preservation Investment Tax Credit certificate received under the state’s Historic Structures program only. This credit is NOT for owners of historic residences who qualified under the Historic Homeownership Assistance Act - RIGL §44-33.1.

Line 3 - Motion Picture Production Tax Credits - Musical and Theatrical Production Tax Credits - RI-8201 - for certified production costs as determined by the Rhode Island Film and Television Office or the Division of Taxation. The original certificate must be attached to the return. Any unused credit amount may be carried forward for three (3) years. RIGL §44-31.2 and RIGL §44-31.3.

Line 4 - TOTAL CREDITS - Add lines 1, 2 and 3. Enter the total here and on RI-1041, page 1, line 12.

RECAPTURE OF OTHER RI CREDITS:

If a Rhode Island credit amount must be recaptured, enter the credit number, the credit name, and the amount of the credit to be recaptured in the space provided on lines 5 and 6.

Line 7 - TOTAL AMOUNT OF CREDIT TO BE RECAPTURED - Add lines 5 and 6. Enter here and on RI-1041, page 1, line 14B.