

**RHODE ISLAND DIVISION OF TAXATION  
NONRESIDENT SELLER OF REAL ESTATE  
ELECTION TO HAVE WITHHOLDING BASED ON GAIN**

TAX YEAR OF SALE: \_\_\_\_\_

**SELLER # 1**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
SS# or FEI # \_\_\_\_\_  
Phone# \_\_\_\_\_ % of ownership \_\_\_\_\_

**SELLER # 2**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
SS# or FEI # \_\_\_\_\_  
Phone# \_\_\_\_\_ % of ownership \_\_\_\_\_

**IF MULTIPLE SELLERS, PLEASE COMPLETE MULTIPLE SELLER PORTION OF CERTIFICATE.**

If you and your spouse own property jointly and will file a joint income tax return, check here ( ) and both sign on bottom of back page. If you and your spouse own property jointly and will not file a joint income tax return, treat as separate/multiple sellers.

Expected closing date: \_\_\_\_\_

IN THE EVENT OF MULTIPLE SELLERS, ALL SELLERS MUST ELECT THE GAIN METHOD OR THE NET PROCEEDS METHOD WILL BE USED

**ELECTION FOR WITHHOLDING BASED ON GAIN**

I (we) the prospective seller(s) of property located at \_\_\_\_\_ (street address)  
in the City/Town of \_\_\_\_\_, Rhode Island and further designated as  
\_\_\_\_\_ in the land records of said city/town, hereby elect to have the withholding  
(plat # and lot #)

required under R.I.G.L. 44-30-71.3 based on my (our) estimated gain rather than on net proceeds. I (we) hereby request that the Rhode Island Division of Taxation approve my (our) estimated withholding computation and forward to me (us) or to another designated person, a certificate of withholding due prior to the closing date above. I (we) understand the failure to make this election by filing this form with the Division of Taxation at least 20 days prior to the expected closing date will result in withholding based on net proceeds at the time of the sale. I (we) understand that this election is binding and will result in an amount based on estimated gain to be withheld at the closing in lieu of withholding calculated on net proceeds.

**CALCULATIONS:**

- |   |         |          |
|---|---------|----------|
| 1. Gross sales price (real estate and personal property)  |         | \$ _____ |
| 2. Less expenses of sale  |         | \$ _____ |
| 3. Net sales price  |         | \$ _____ |
| 4. Less cost or other basis   |         | \$ _____ |
| 5. Gain (Loss).   |         | \$ _____ |
| If a gain, and all is recognizable, enter here and on line 7 below.   |         |          |
| If a loss, stop here, sign and send in for certificate of no withholding due.   |         |          |
| 6. If some part of the gain is not taxable or tax deferred (e.g. installment sale);<br>or if all the gain is not taxed for federal income tax purposes, complete the<br>applicable section on page 2 and enter the unrecognized gain here |         | \$ _____ |
| 7. Gain subject to Withholding (line 5 less line 6)   |         | \$ _____ |
| 8. Non-Resident Ownership %   | _____ % |          |
| 9. Subtotal   |         | \$ _____ |
| 10. Withholding Rate<br>6% if seller is an individual, estate or trust, 7% if seller is a corporation   | _____ % |          |
| 11. Withholding Amount Due (multiply line 9 by line 10)   |         | _____    |

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**SPECIAL TYPES OF TRANSACTIONS**

If this sale will not be subject to tax under the Internal Revenue Code, check the IRC Section below that applies:

- This sale will not be subject to tax under IRC Section 121 - Sale of Principal Residence  
While residing at your principal residence, were you or your spouse (check all that apply):  
 Active duty military personnel  
 Domiciled in another state
- This sale will not be subject to tax under IRC Section 408 (a) through (e) - Individual Retirement Account  
Note: Seller is an "IRA" exempt from Federal income tax
- This sale will not be subject to tax under IRC Section 721 - Tax-Free Exchanges - Partnership Interest
- This sale will not be subject to tax under IRC Section 1031 - Like Kind Exchange  
Name of Intermediary/Management Company: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone number: (     ) \_\_\_\_\_
- This sale will not be subject to tax under IRC Section 1033 - Involuntary Conversions.

Note: If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a Rhode Island tax return for the year of the sale.

**INSTALLMENT SALE SCHEDULE**

- Check here if the seller will be recognizing gain from this transaction on the installment sale election for federal tax purposes. A complete installment sale schedule must be attached to this election form. See regulations and instructions and enter the amount of unrecognized gain on page 1, line 6.

**NONRESIDENT CORPORATE INFORMATION**

If the seller is a nonresident corporation, the buyer will be deemed to be in compliance with the remittance requirements if the seller provides the buyer with a Letter of Good Standing issued by the Tax Administrator for the purposes of the sale.

**WITHHOLDING APPLIED**

Withholding will be credited to the Nonresident Rhode Island seller(s)'s individual or corporate tax return(s) which must be filed by the seller(s) for the year of the sale. If such withholding exceeds the actual tax due, the balance will be refunded upon filing of a return. If less than the actual tax due, the balance will be due by the due date of the tax return filed for the year of the sale.

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.

Seller # 1 Signature	Date	Seller # 2 Signature	Date
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IF MORE THAN TWO (2) SELLERS, ATTACH SCHEDULE FOR OTHER SIGNATURES

MAIL THIS FORM TO: Chief Revenue Agent  
Personal Income Tax Section  
Rhode Island Division of Taxation  
One Capitol Hill  
Providence, RI 02908

--- Please include a self-addressed stamped envelope ---

**RHODE ISLAND DIVISION OF TAXATION**  
**CERTIFICATE OF WITHHOLDING DUE**  
 BASED ON NONRESIDENT SELLER'S ELECTION  
 TO HAVE WITHHOLDING ON SALE OF REAL ESTATE BASED ON GAIN

Based on information submitted by the prospective seller(s),

\_\_\_\_\_, of the property described as  
 Seller's name \_\_\_\_\_, in the City or Town of \_\_\_\_\_  
 Plat # and lot # \_\_\_\_\_ that is expected to be sold on \_\_\_\_\_  
 City or town \_\_\_\_\_ and the seller's election to have  
 Expected closing date \_\_\_\_\_  
 withholding based on gain rather than on net proceeds, the amount to be withheld from the seller's  
 funds by the buyer at the closing and remitted to the Rhode Island Division of Taxation is  
 \$ \_\_\_\_\_. This amount must be entered on line 1, section B of Form RI - 71.3 Remittance.

This original approved certificate must be attached to the remittance form and mailed to the Rhode Island Division of Taxation together with payment of the withholding amount due.

The filing of the remittance form and the payment of the withholding amount due will discharge the lien in effect under R.I.G.L. 44-30-71.3. By following the instructions on the remittance form, the buyer or designee will be sent an acknowledgement of the discharge of the lien.

Date received by RI Division of Taxation:

Approved by RI Division of Taxation:

Date approved:

**MULTIPLE SELLERS INFORMATION:**

Name	SS# or FEI#	Withholding Amounts
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

Return to:

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 \_\_\_\_\_



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Return to:

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 Address: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 \_\_\_\_\_