

RHODE ISLAND TAX NEWS

A NEWSLETTER FOR TAX PROFESSIONALS

OCTOBER/NOVEMBER/DECEMBER 2018

STATE TAX LEGISLATION IS ENACTED

The personal and dependency exemptions will be preserved for Rhode Island personal income tax purposes.

A number of changes have

been made to the motion picture production tax credit, also known the film tax credit. Also, software as a service (SaaS) is now subject to the Rhode Island sales and use tax.

These were among the tax-related changes approved by the Rhode Island General Assembly in its 2018 session and signed into law by Rhode Island Governor Gina M. Raimondo.

Following is a summary of some of the key tax provisions enacted in 2018. (Each provision is followed by the applicable bill number.)

Exemptions

Federal legislation enacted in December 2017 suspended the deduction for personal exemptions – for taxpayers as well as their dependents.

(Please turn to page 2)



The Rhode Island State House, Providence, R.I.

DIVISION CONTINUES RESTRUCTURING

The Rhode Island Division of Taxation is continuing its restructuring by realigning some of its sections and recently appointing some staff members to new positions.

The restructuring was prompted mainly by the Division's acquisition, instal-

lation, and implementation of an agency-wide computer system.

The new system has allowed for the consolidation of information that formerly was stored separately in the agency's old mainframe computer, on PCs, and in some cases on paper.

"We did a once-in-a-generation system change. We are changing our business processes to enhance the efficiencies of the new system," said Tax Administrator Neena Savage.

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SEMINAR FOR TAX PREPARERS

The Rhode Island Division of Taxation held a seminar for tax preparers in November and again in December.

The goal was to provide paid preparers with an update for the filing season. Other subjects were also covered. For more information, please see page 13.

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STATE TAX LEGISLATION IS ENACTED (CONTINUED FROM PAGE 1)

Under Rhode Island law at the time, the number of exemptions allowed for purposes of Rhode Island's personal income tax was tied to the number of federal exemptions.

Therefore, if Rhode Island law had stayed as it was, taxpayers would have lost the ability to claim personal and dependency exemptions on their Rhode Island personal income tax returns.

However, a provision in the budget bill enacted in June 2018, amended Rhode Island law in a way that preserves the exemptions.

Thus, personal and dependency exemptions will continue to be reflected on Rhode Island personal income forms. The Division of Taxation has updated its tax forms to reflect the change.

-- H 7200Aaa

Film tax credit

The new law made a number of changes to the film tax credit. For example, the new law:

- Sets the credit amount per production at 30 percent of State-certified production costs, up from 25 percent under the former law;
- Caps the maximum credit per production at \$7 million, up from \$5 million under former law;
- Allows the Tax Administrator to waive the \$7 mil-

lion per-production cap for any feature-length film or TV series (up from a cap of \$5 million under former law), up to the remaining funds available under the program for a given year;

- Continues to cap the overall program – including films and musical and theatrical productions – at \$15 million in the aggregate each year; and
- Bans “reality TV” shows from qualifying for credits.

-- H. 7200Aaa

Software (SaaS)

Vendor-hosted prewritten computer software, sometimes referred to as “software as a service”, or SaaS, is now subject to Rhode Island's 7 percent sales and use tax.

Vendors must register with the Rhode Island Division of Taxation, obtain a sales tax permit, and collect and remit the 7 percent tax.

If sales/use tax is not collected on the transaction, the buyer -- whether a business or consumer -- must pay the tax due.

The tax applies to transactions on and after October 1, 2018.

The tax applies to the sale, storage, use, or other consumption of vendor-hosted prewritten computer software, or SaaS.

The tax applies to software

Software as a Service (SaaS)

Examples of taxable purchases include, but are not limited to, the following:

- ◆ A paid subscription to software programs that provide digital tools for office work – such as a spreadsheet program, a program to create overhead presentations, or a program to create written documents.
- ◆ Programs that you pay for and that you access or use online to handle such functions as payroll, accounting, or human resources.
- ◆ Programs that you pay for and access or use online to manage the books of your business.
- ◆ Programs that you pay for and access or use online to handle customer relationship management (CRM).
- ◆ Online dating services that you pay for and use or access online, including through dating applications (“apps”) that you access or use on a computer, phone, or other device.
- ◆ Job-search programs that you pay to use, or a social media program that you pay for that links you to other professionals.

for accounting, invoicing, human resources, payroll, sales tracking, and a number of other functions.

“If you access or use software available via the Internet, whether you download it or not, it is now taxable,” said Assistant Tax Administrator Michael F. Canole.

“Under the new law, the tax will apply regardless of whether the access to, or use of, the software is permanent or temporary, and regardless

of whether any downloading occurs,” Canole said.

For more information, see the Division's Advisory:

www.tax.ri.gov/Advisory/ADV_2018_38.pdf

Anyone with questions may contact the Division's Excise Tax section by phone at (401) 574-8955, or Tax.Excise@tax.ri.gov.

-- H. 7200Aaa

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STATE TAX LEGISLATION IS ENACTED (CONTINUED FROM PREVIOUS PAGE)

Voluntary contributions

Rhode Island’s personal income form includes a list of organizations to which taxpayers may voluntarily contribute money. The list is included in the “Checkoff Contributions Schedule” on the form. *(See table on this page)*

Starting with the 2019 filing season, there is now a checkoff involving the Substance Use and Mental Health Leadership Council of Rhode Island. (It occupies the same line as the Childhood Disease Victim’s Fund.)

According to a State of Rhode Island website, the Council is made up of a number of not-for-profit substance use treatment and/or behavioral health organizations, prevention coalitions, and student assistance programs located throughout Rhode Island.

For the new checkoff, you’ll be able to elect to contribute either \$1.00, \$5.00, \$10.00, or an amount of your choosing. Contributions will reduce the amount of your refund or increase your tax due, as with all other checkoffs on the list.

-- S 2013, H 7062

TINs

Under the new law, no personal or dependency exemption is allowed under the Rhode Island personal in-

come tax for any individual unless the taxpayer identification number (TIN) for that individual is included on the federal return claiming the exemption for the same tax-filing period.

If the TIN for each individual is not required to be included on the federal return for purposes of claiming a personal or dependency exemption, the TIN must be provided on the Rhode Island return for the purpose of claiming the exemption.

For the 2017 tax year, the Rhode Island Form RI-1040 (individual income tax return) did not require a separate listing of each dependent and each dependent’s TIN. Instead, the form instructed taxpayers to enter, in a box on the Rhode Island form, the number of federal ex-

emptions. However, personal and dependency exemptions for federal income tax purposes have been suspended under the federal Tax Cuts and Jobs Act. It is not clear whether, or to what extent, the name and TIN of each dependent will be required to be listed on the finalized U.S. Form 1040 for 2018 and future tax years.

The new Rhode Island law is intended to ensure that if such information is not included on the federal form, it must be included on the Rhode Island form, and the Rhode Island form will be revised accordingly. (Note: For most people, the TIN is the same as the Social Security number.)

-- H 7200Aaa

Rhode Island checkoff contributions -- \$ amount and count

1	Rhode Island military family relief	\$24,078	2,413
2	Child disease victims fund	\$10,564	1,733
3	Rhode Island organ transplant	\$8,122	1,473
4	Nongame wildlife	\$9,268	1,411
5	Rhode Island council on the arts	\$9,619	1,368
6	Drug program	\$4,843	981
7	Olympic contribution	\$1,132	805

Listed above are the seven voluntary checkoffs on the Rhode Island personal income tax form (under “Checkoff Contributions Schedule”) for the 2015 tax year. They are ranked based on the number of Rhode Island resident returns on which each was checked. For example, on 2,413 returns, a box was checked for Rhode Island Military Family Relief, more than for any other option. (A total of 504,307 Rhode Island resident returns were filed for that year.) Data for this table is from the Division of Taxation’s Statistics of Income report for resident personal income tax returns for tax year 2015.

Sports wagering

The new law makes it clear that prizes, including payoffs, received under Rhode Island General Laws Chapter 42-61.2, “Video-Lottery Games, Table Games and Sports Wagering”, are exempt from Rhode Island sales and use tax, but are subject to Rhode Island personal income tax.

-- H 7200Aaa

Investigation services

Investigation, guard, and armored car services are now on the list of services subject to Rhode Island’s 7 percent sales and use tax.

Thus, as of July 1, 2018, providers of the services must register with the Division of Taxation.

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STATE TAX LEGISLATION IS ENACTED (CONTINUED FROM PREVIOUS PAGE)

They also must pay the annual \$10 sales tax permit fee; collect and remit Rhode Island sales/use tax on transactions; remit the sales/use tax to the Division of Taxation on a monthly or quarterly basis (depending on volume; the Division will advise); and file an annual reconciliation each January.

All investigation, guard, and armored car services listed under North American Industry Classification System (NAICS) umbrella code 56161 are included for purposes of the tax. For more information:

www.tax.ri.gov/Advisory/ADV_2018_25.pdf

-- H 7200Aaa

Alcoholic beverages

Under Rhode Island General Laws § 3-6-1, a “manufacturer’s license” authorizes the holder to establish and operate a brewery, distillery, or winery.

Under the old law, proceeds from the annual fee for the license were forwarded by the Department of Business Regulation to the Division of Taxation, which deposited the proceeds with the General Treasurer for use by the State of Rhode Island.

Under the new law, the proceeds will no longer be forwarded by the Department of Business Regulation

(DBR) to the Division of Taxation. Instead, the DBR will deposit the proceeds directly with the General Treasurer for use by the State. (The change in procedure shall also apply to a number of other licenses involving alcoholic beverages.)

-- S 3006, H 8122

Employer Tax

Rhode Island’s Job Development Fund (JDF), which is administered by the Rhode Island Department of Labor and Training, is used to provide job-training services, boost the competitiveness of Rhode Island businesses, and stimulate economic development.

The JDF is paid for through a tax on employers, known as the Job Development Assessment (JDA), which is collected by the Division of Taxation.

The JDA is levied on employers at the rate of 0.21 percent of a certain amount of each employee’s taxable wages (\$23,000 for the 2018 calendar year). The JDA is deducted from an employer’s total state unemployment insurance (UI) tax liability.

Thus, the 0.21 percent JDA tax rate is part of an employer’s overall UI tax rate.

The new law authorizes, under certain conditions, an increase in the JDA. (The JDA tax rate will change

EMPLOYER TAX -- ADDITIONAL INFORMATION

⇒ To learn more about the Rhode Island unemployment insurance tax and associated tax rates and assessments, see the Rhode Island Department of Labor and Training website. Click [here](#) to learn more.

⇒ The Rhode Island Division of Taxation’s Employer Tax webpage also includes information about UI tax and other levies. Click [here](#) to learn more.

depending on how healthy the state unemployment insurance trust fund is, and how much interest that fund generates.) However, any such increase in the JDA would not increase the average employer tax per employee. For example, if the JDA were increased, approximately \$4.50 more of the average employer tax per employee would go to the JDF, while approximately \$4.50 less would go to the trust fund.

Even if the Job Development Assessment increases, employers would be held harmless. That’s because any increase in the Job Development Assessment that an em-

ployer pays will be offset by a corresponding reduction in the employer’s Rhode Island unemployment insurance rate.

-- H 7200Aaa

Kegs

Under certain circumstances, kegs are now exempt from Rhode Island sales and use tax. The new law exempts “keg and barrel containers, whether returnable or not, when sold to alcoholic beverage producers who place the alcoholic beverages in the containers.”

-- H 7200Aaa

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STATE TAX LEGISLATION IS ENACTED (CONTINUED FROM PREVIOUS PAGE)

Jobs training credit

Under the Jobs Training Tax Credit Act, enacted in 1996, a qualifying employer is generally allowed a credit against the corporate income tax (and certain other tax types) for the qualifying expenses of offering training and/or retraining to qualify employees.

The new law establishes a sunset retroactively: No credits shall be awarded for tax years beginning on or after January 1, 2018. *(However, credit unused from the prior year can still be used on the 2018 tax return, in accordance with the terms and conditions described in statute.)*

-- H 7200Aaa

E-911

The new law changes a number of references to the E-911 emergency telephone system. For example, the title of Rhode Island General Laws § 39-1-62, formerly “E-911 Geographic Information System (GIS) and Technology Fund,” has been changed to “Geographic Information System (GIS) and Technology Fund.”

-- H 7200Aaa

Hotel tax

The new law changes the distribution formula involving revenue from the 5 percent State hotel tax. Overall, and in general, the new law

increases the distribution to local tourism organizations while reducing the distribution of hotel tax revenue to the Rhode Island Commerce Corporation.

-- H 7200Aaa

Tax administrator

To preserve the Rhode Island tax base under Rhode Island law prior to last year’s enactment of the federal Tax Cuts and Jobs Act, the new law authorizes the Tax Administrator, upon prior written notice to the House speaker, Senate president, and chairs of the House and Senate Finance Committees, to amend tax forms and related instructions in response to any changes the Internal Revenue Service makes to its forms, regulations, and/or processing which will materially impact state revenues, to the extent that impact is measurable.

Furthermore, the new law says that any Internal Revenue Service changes to forms, regulations and/or processing which go into effect during the current tax year or within six months of the beginning of the next tax year and which will materially impact state revenue will be deemed grounds for the promulgation of emergency rules and regulations under Rhode Island General Laws § 42-35-2.10.

-- H 7200Aaa



Meeting: Mark Furcolo, Director of the Rhode Island Department of Revenue (above, left) and Neena Savage, Rhode Island Tax Administrator, were among those who testified earlier this year at a State House hearing regarding tourism.

(SCREENSHOT OF CAPITOL TV BROADCAST)

Tax Agreement.

The new law essentially repeals last year’s amendment to the definition of “food and food ingredients” under Rhode Island General Laws § 44-18-7.1.

The sale, storage, use, or other consumption in Rhode Island of seeds and plants used to grow food and food ingredients remains exempt from Rhode Island sales and use tax. In addition, the new law makes it clear that marijuana seeds and plants continue to be subject to the sales and use tax.

-- H 7200Aaa

Editor’s Note:

For more about Rhode Island tax legislation enacted in 2018, use the following link:

<https://go.usa.gov/xUKGX>

Seeds and plants

Under legislation enacted last year, the sale, storage, use, or other consumption in Rhode Island of seeds and plants used to grow food and food ingredients became exempt from Rhode Island sales and use tax, effective July 1, 2017. That legislation amended Rhode Island General Laws § 44-18-30, which involves gross receipts that are exempt from sales and use taxes.

However, the 2017 legislation as enacted also inadvertently added substantially the same language as an amendment to the definition of “food and food ingredients” under Rhode Island General Laws § 44-18-7.1, which involves definitions under the Streamlined Sales and Use

DIVISION CONTINUES RESTRUCTURING (CONTINUED FROM PAGE 1)

The new system “provides opportunities for cross-training and collaboration” among the Division’s various operating units as well as “streamlining our processes”, she said.

New system

The new computer system, known in the industry as an integrated tax system, is the result of legislation approved by the Rhode Island General Assembly and signed into law by then-Gov. Lincoln Chafee in 2012.

The legislation appropriated \$25 million for the project, to be paid out over a number of years.

The successful bidder for the project was Revenue Solutions Inc. (RSI), of Pembroke, Mass. The Division of Taxation is using RSI’s Revenue Premier system. (Within the Division of Taxation, the system is known as the State Tax Administration and Revenue System, or “STAARS” for short -- see logo above.)

The project included converting millions of tax records from a 1970s-era mainframe computer (and from other locations) into the Division’s new agency-wide integrated tax system.

There were three main phases of the project. The first major phase, which occurred in summer 2014, mainly involved converting account records and other



information involving bank, insurance, and certain other tax types and fees from the old system into the new system.

In the second major phase, which occurred late in 2015, the personal income tax, estate and trust income tax, composite income tax, and passthrough withholding were migrated onto the new system.

In the third major phase, completed in November 2016, the Division converted over to the new system its corporate income tax, withholding, and sales and use taxes.

Customer service

During the 75-day tax amnesty, which ended on February 15, 2018, the Division introduced a reservation system, implemented a call-center model, and extended evening and weekend hours.

All of this was part of an effort to provide taxpayers

with enhanced, convenient options to increase participation in the amnesty program.

“During amnesty, we tried out several different customer-service models, including a call center and reservation system, and we are now seeking to apply what we learned,” Savage said.

One or more of those customer-service models may be more broadly applied in the future, she said. Plans are still being reviewed.

Generational shift

Although the new computer system was the main factor behind the reorganization, another element involved the retirements of a number of key Division personnel.

“Like many other government agencies across the country, the Division has had to cope with the departure of some key personnel, chiefly through retirement,” Savage said. Some valuable institutional knowledge has been

lost, due to retirement, similar to what tax agencies in some other states have experienced.

At the Rhode Island Division of Taxation, “There’s been a generational shift in the agency due to retirement, which has coincided” with the implementation of the new computer system, she said.

One result has been the opportunity to consolidate certain units. “This process has also created promotional opportunities for a number of dedicated and qualified leaders within the organization,” she said.

(Editor’s Note: Coverage of the restructuring and some related promotions continues on the following pages.)

FOUR PROMOTED TO KEY LEADERSHIP POSTS

The Rhode Island Division of Taxation has promoted four supervisors to key leadership positions mainly to oversee newly consolidated sections within the agency.

“I am pleased to formally announce the promotion of these four highly qualified people into their new positions as the Division continues its restructuring,” said Rhode Island Tax Administrator Neena Savage.

“They were chosen from a field of top-shelf candidates through a competitive process. I can say with confidence that their proven supervisory skills and their years of outstanding service at the Division, coupled with their extensive knowledge of business operations and technology, will serve us well as we evolve to recalibrate the organization and further improve the organization to serve taxpayers better,” she said.

A brief biography of each of the four people is provided below (in alphabetical order).

Marlen Bautista

Marlen Bautista has been promoted at the Rhode Island Division of Taxation to the rank of chief, Tax Assessment & Review.

She formerly served as chief revenue agent in the Division’s Corporate Tax section.

Born in Providence, she is a first-generation American; her parents are natives of the Dominican Republic. She was also the first in her fami-

ly to go to college: After graduating from Classical High School in Providence, she attended the University of Rhode Island, from which she

graduated in 2006 with a bachelor’s degree in business administration.

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Promoted: Rhode Island Tax Administrator Neena Savage recently promoted four supervisors at the Rhode Island of Taxation to key leadership positions at the agency. They are Patrick Gengarella (seated, left), chief, Audit & Investigation; Marlen Bautista (seated, right), chief, Tax Assessment & Review; Daniel Clemence (standing, left), chief, Operations; and Philip D’Ambra (standing, right), chief, Employer Tax.

FOUR PROMOTED TO KEY POSTS (CONTINUED FROM PREVIOUS PAGE)

While at URI, she worked at Brooks Pharmacy and Citizens Bank to help pay for tuition and other expenses.

Shortly before graduating, but after acquiring the necessary number of accounting credits, she joined the Division of Taxation, starting as a revenue officer in the Compliance & Collections section in 2005.

She held a number of positions at the Division until her promotion in Corporate Tax, where she led a team that implemented the sweeping corporate tax changes enacted in 2014.

In her new role, she oversees units that administer the personal income tax, corporate income tax, sales tax, use tax, estate tax, and numerous other taxes and fees.

She lives in North Providence.

Daniel Clemence

Daniel Clemence has been promoted at the Rhode Island Division of Taxation to the rank of chief, Operations.

He formerly served as chief of tax processing services in the Division of Taxation's Project Oversight & Development section.

Born and raised in North Scituate, he graduated from the University of Rhode Island in 1998 with a bachelor of science degree in accounting.

He joined the Division of Taxation in 1998 as a revenue officer in the Compliance & Collections section.

In 2001, he left the Division to work for American Power Conversion Corp. as a desktop computer support analyst. He returned to the Division later that year as a tech support specialist in the Processing section.

In 2013, he was appointed chief of the E-Government section, overseeing electronic filing and electronic payments while working with software vendors.

His responsibilities and workload increased as the Division implemented its new agency-wide computer system, known as STAARS. He also served as a member of the Federal-State Tactical Advisory Group, which focuses on electronic tax initiatives, including e-filing. In his recently expanded role at the Division, he oversees units involving project oversight and development, processing, customer service, business analytics, and data analytics.

He resides in North Scituate with his wife, Ellie, and their three children.

Philip D'Ambra

Philip D'Ambra has been promoted at the Rhode Island Division of Taxation to the rank of chief, Employer Tax.

He formerly served as chief revenue agent in the Division's Employer Tax section.

Born in Providence, and raised in West Warwick, he graduated from the University of Rhode Island in 1992 with a bachelor of science degree in

accounting.

While at URI, he served as an intern in the university's budget office, performing accounting tasks, while also taking part in flag football and club softball.

While in school, D'Ambra worked summers for the Town of West Warwick, providing maintenance and landscaping services. To help pay for his education, he also worked as a salesperson in the home office section at the Lechmere department store.

Several months after graduating from URI, he joined the Division as revenue agent, and held a number of positions in the agency until he was promoted to oversee the Employer Tax section, which administers state unemployment insurance tax and temporary disability insurance tax. He has also served as the Division's day-to-day operational liaison with the Rhode Island Department of Labor and Training.

For the past 15 years, he has been a volunteer coach/manager for youth sport in the Coventry area, including several years of coaching recreational and competitive girls and boys soccer, football, and recreational and all-star baseball.

He resides in Coventry with his two children.

Patrick Gengarella

Patrick Gengarella has been promoted at the Rhode Island Division of Taxation to the rank of chief, Audit & Investigation.

He formerly served as chief revenue agent in the Division's Field Audit section.

Born and raised in Westerly, Gengarella graduated from the University of Rhode Island with a bachelor of science degree in business administration, with a concentration in accounting, in 1992.

Later that year, he joined the Division of Taxation, starting as a revenue agent in Field Audit.

In his lengthy career in Field Audit, he moved progressively up the ranks. He specialized in a number of areas, including the auditing of major oil companies regarding Rhode Island motor fuel tax.

Gengarella took over as chief revenue agent in Field Audit in 2014. In his newly expanded role, he oversees Field Audit, Office Audit, and the Special Investigation Unit.

He and his wife, Jackie, who are the parents of four children, reside in Westerly.

A longtime volunteer, he is president of the Hopkinton Recreation Commission.

LLC reminder

The Rhode Island Division of Taxation reminds taxpayers that single-member LLCs must file Form RI-1065 each year and pay the required filing charge.. The charge is \$400 for 2017 and later years.

FOUR PROMOTED TO KEY SUPERVISORY ROLES

As part of the restructuring at the Rhode Island Division of Taxation, four people have been promoted to supervisory positions.

“I am pleased to formally announce the promotion of these four highly qualified people into their new positions,” said Rhode Island Tax Administrator Neena Savage.

“They were chosen as part of a competitive process from a field of top-flight candidates. Their overall knowledge and experience will serve us well as we tackle current and future challenges,” she said.

A brief biography of each of the four people is provided below (in alphabetical order).

Neil Caouette

Neil Caouette has been promoted at the Rhode Island Division of Taxation to the rank of co-chief, Compliance & Collections.

Born and raised in North Providence, he studied business at the University of Rhode Island. While there, he worked at school events for URI Dining Services.

He completed his studies early, in December 2009, then worked as a financial associate for Prudential Financial.

After receiving a bachelor of science degree in business from URI during its May

2010 graduation ceremony, he continued to work at Prudential until joining the Division of Taxation in January 2011 as a revenue officer in the agency’s Compliance & Collections section.

In 2016, he became a supervising revenue officer in Compliance & Collections. In 2017, he was appointed as a chief business management officer in Compliance & Collections.

He is a resident of Cumberland.

Matthew Cate

Matthew Cate has been promoted to serve as a chief legal officer at the Rhode Island Division of Taxation.

He formerly served as senior legal counsel. In his new role, he serves as a co-director of the Division’s Legal section.

He was born and raised in Warwick, and studied at Brown University.

While at Brown, he wrote for the “Critical Review” -- an online publication produced by an extracurricular group that compiled student reviews of courses. He also worked at one of the campus libraries.

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Promoted: Rhode Island Tax Administrator Neena Savage recently promoted four members of the Division of Taxation’s staff to prominent supervisory roles in the agency. They are (left to right) Neil Caouette, co-chief, Compliance & Collections; Matthew Cate, Chief Legal Officer; Crystal Cote, co-chief, Compliance & Collections; and Donna Dube, chief revenue agent, Forms, Credits & Incentives.

FOUR PROMOTED (CONTINUED FROM PREVIOUS PAGE)

He graduated from Brown in 2008 with a bachelor of science degree in neuroscience and a bachelor of arts degree in art-semiotics.

He worked for the U.S. Census Bureau before embarking on a study of the law as a student at the Roger Williams University School of Law, focusing on business and financial law.

While at Roger Williams, he worked at the Law Library. After his first year of law school, he interned at the Division of Taxation.

While still in law school, he began working in July 2012 as a system administrator and manager of customer-facing operations at Merrow Sewing Machine Company in Fall River, Massachusetts.

He graduated from law school in December 2013 with a juris doctor degree, and continued to work for the Fall River firm until joining the Division of Taxation in November 2015 as a legal officer. In May 2016, he was promoted to senior legal counsel.

He and his wife, Caroline, live in Warwick.

Crystal Cote

Crystal Cote has been promoted at the Rhode Island Division of Taxation to the rank of co-chief, Compliance

& Collections.

She was born in Riverside, California, raised in West Warwick, Rhode Island, and currently resides in Coventry, Rhode Island.

She earned an associate's degree in finance from the Community College of Rhode Island and a bachelor's degree in accounting from Johnson & Wales University in 2008.

While studying toward her degrees, she worked full-time and raised two children.

In February 2005, she joined the Division of Taxation as a seasonal taxpayer service specialist in the Personal Income Tax section. She was hired full-time in the Personal Income Tax section in September 2005.

While at the Division, she has held a number of positions, including revenue agent in the Division's Field Audit unit. She also held a leadership role in her union. She most recently served as a chief business management officer in Compliance & Collections.

Prior to joining the Division, she was a manager at Coventry Seafood for nine years. She remained in that post for four years after joining the Division.

She lives in Coventry with her two children.

Donna Dube

Donna Dube has been promoted at the Rhode Island Division of Taxation to the rank of chief revenue agent. In that role, she oversees the Division's Forms, Credits & Incentives section.

Born in Providence and raised in Coventry, she graduated from the University of Rhode Island in 1991 with a bachelor of science degree in accounting.

Following graduation, she held multiple jobs, including working for PriMedia, a media buying and marketing firm in Warwick.

She joined the Division of Taxation in July 1998 as a revenue officer in the Compliance & Collections.

She later worked in the Division's Personal Income Tax section, and was eventually promoted to principal revenue agent. In that role, she oversaw the design and production of numerous forms and instructions; managed the Division's website and email communications with tax professionals; and ran various tax credit programs.

She and her husband, Chris, live in Coventry.



Consolidated units

As part of the ongoing restructuring at the Rhode Island Division of Taxation, a number of units have been consolidated.

For example, the Estate Tax section and the Excise Tax section (whose responsibilities include sales and use tax) formerly operated independently, and each had its own chief. The Division recently merged the two sections into one, known as the Excise & Estate Tax unit, with a single chief.

The Division has consolidated the Personal Income Tax section and Corporate Tax section under a single umbrella: Income Tax. The Division's newly created Tax Assessment & Review section oversees Income Tax as well as Excise & Estate.

The Audit & Investigation section oversees Field Audit, Office Audit, and the Special Investigation Unit.

The Operations section oversees Project Oversight and Development, Processing, Customer Service Center, and Analytics (including business analytics and data analytics).

CONTACT INFORMATION FOR ALL OF THE DIVISION OF TAXATION'S SECTIONS AND UNITS IS AVAILABLE ONLINE: [HTTP://WWW.TAX.RI.GOV/CONTACT/](http://www.tax.ri.gov/contact/)

RHODE ISLAND CORPORATE TAX FORM UPDATE

The Rhode Island Division of Taxation has created a more streamlined schedule for purposes of mandatory unitary combined reporting.

The schedule will save time for taxpayers and preparers. It should also help in the processing of returns by the Division.

The Division developed the old Schedule CRS (“Combined Reporting Schedule”) for purposes of mandatory unitary combined reporting. (See screenshot on the top right of this page.) The schedule was filed with the combined group’s Form RI-1120C (“Business Corporation Tax Return”).

The Division used information from Schedule CRS and from other sources to compile a report that was due to the General Assembly in March 2018.

Now that the Division has completed the report and filed it by the statutory deadline, there is no need to require corporations to file Schedule CRS.

Effective for returns covering the 2018 tax year, the Division has eliminated

Schedule CRS and replaced it with a much shorter schedule on which only basic information will be included about members of each combined group.

CGM Schedule

The new schedule is called the “CGM Schedule” because it provides for a listing of combined group members (see screenshot on this page).

The new schedule essentially asks only for a combined group member’s name, federal employer identification number (EIN), address, and whether the member has nexus with Rhode Island. The schedule does not require detailed financials.

The change will apply for 2018 and later tax years, so

the new schedule will first show up in the 2019 filing season.

The existing Schedule CRS allows for only one member of the combined group per page -- and each page contains 40 lines for that one member.

The new schedule will allow for multiple members per page, and will require only basic information about each member.

Reduced burden

The Division believes this will reduce the burden on corporations, tax preparers, and the Division.

“When combined reporting first took effect, many corporations and their tax advisers had to make an extra effort

for filing purposes, including filling out the Schedule CRS. We truly appreciate the effort they made,” said Tax Administrator Neena Savage.

“The information that they provided to us on Schedule CRS helped to inform us and the General Assembly about the impact of corporate tax changes that were enacted in 2014,” she said.

“But now that the report on those changes has been filed, there is no longer a need for Schedule CRS, so we are discontinuing it. That, in turn, will reduce the burden on taxpayers, preparers, software providers, and other stakeholders -- and will also help streamline processing at the Division,” she said.

State of Rhode Island and Providence Plantations
2017 Schedule CRS for RI-1120C
 Combined Reporting Schedule

17113099990101

Designated agent name
 Member name

Federal Consolidated Election
 NAICS code

Federal employer identification number
 Federal employer identification number

State of Rhode Island and Providence Plantations
RI-1120C - CGM Schedule
 Combined Group Member Listing

Name

18113799990101

Federal employer identification number

This schedule is to be filed with Form RI-1120C.

SEMINAR FOR TAX PREPARERS IS SCHEDULED

The Rhode Island Division of Taxation has held a free seminar for tax preparers. The main focus was on what's new for the 2019 filing season and on what's new for the 2019 tax year.

The seminar included a discussion on the effect of the federal Tax Cuts and Jobs Act on Rhode Island from a tax standpoint.

For example, beginning with the filing season that started in January 2019, there is a new schedule for the Rhode Island resident and nonresident Form RI-1040 -- a schedule involving exemptions claimed on the personal income return.

Other topics include the modification for income from 401(k) plans, government pensions, private-sector pensions, 403(b) plans, annuities, and other such sources. The seminar also reviewed changes involving sales and use taxes, withholding, and other items.

The Division held the seminar at the Community College of Rhode Island (CCRI) Newport County Campus in Newport on Friday, November 2, 2018. The seminar was repeated on Friday, December 7, 2018, at CCRI's Knight Campus in Warwick.

The seminar was free, but preregistration was required. Those planning to attend were allowed to sign up for only one session -- whichever was most convenient for their schedules. Registration information was available at the

Division of Taxation website, under "Online Services":

<http://www.tax.ri.gov/onlineservices/>

(Editor's Note: This page was originally prepared in September 2018. Given that the seminars have now been held, this page has been updated.)

"As we did in the 2017 seminar, we wanted to give preparers a chance to meet with us, get their questions answered, and be briefed on changes -- all well in advance of the coming filing season," said Rhode Island Tax Administrator Neena Savage. "We have some significant changes that we are working to implement for the coming season, and we wanted to give preparers a heads up."

The Division of Taxation, prior to each filing season, typically sends representatives to meetings sponsored by trade associations whose members are preparers. Such presentations are typically only for members of a particular trade association and are sponsored by that group.

The seminar at CCRI is sponsored by the Division of Taxation and is open to any paid preparer. "With this free seminar, we hoped to reach tax return preparers who are employed by national, regional, or local tax preparation firms, as well as those who prepare returns seasonally and may be self-employed and not part of a professional association," Savage said. CPAs,



Newport County Campus: The seminar for tax preparers was held at the CCRI Newport County Campus (see photo above) in Newport on Friday, November 2, 2018, from 9:00 a.m. to 12:00 noon, in the main auditorium.



Knight Campus: The seminar for tax preparers was repeated at CCRI's Knight Campus (see photo above), in Warwick, on Friday, December 7, 2018, from 9:00 a.m. to 12:00 noon, in Presentation Room No. 4080.

Photos courtesy of CCRI

EAs, PAs, and other paid preparers were welcome to attend, too. "The seminar at CCRI was intended to supplement -- not to replace -- our regularly scheduled presentations to practitioner groups," she said. "We value those professional groups and the important work they do, and the members of those groups were welcome to register for the CCRI seminar, too," she

said. The CCRI seminars are for paid preparers. The Division of Taxation typically meets separately with organizations of volunteer preparers.

"CCRI is an invaluable resource for Rhode Island, and we are delighted and appreciative that CCRI once again made available its resources to us for this important seminar," Savage added.

Legal Corner

RECENT STATE TAX CASES IN SUMMARY

Following is a summary of tax-related cases in which final decisions were made after administrative hearings. By law, decisions are public information, but taxpayer information cannot be disclosed. Administrative Decisions are online at www.tax.ri.gov

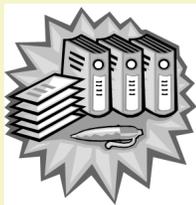
NOLs

The issue: Whether the taxpayers are entitled to a net operating loss (NOL) for the 2016 tax year.

On their Rhode Island personal income tax return for 2016, the taxpayers (a married couple) claimed a modification to reduce federal adjusted gross income (AGI) for Rhode Island purposes. The taxpayers believed that the modification schedule was the place to claim a deduction for an NOL related to Rhode Island source income from two businesses.

The Division disallowed the modification because Rhode Island law does not allow a modification for NOLs. Rhode Island law recognizes NOLs only if they are included on line 21 ("Other income") of the federal return.

(NOLs are subtracted from any line 21 income and the result is entered on line 21 of the federal form. Data from line 21, and from certain other lines, is used to determine federal AGI.)



Rhode Island Tax News provides only summaries of some recent tax-case decisions, which are based on specific facts and circumstances.

The summaries are merely informative and provide general information. To determine how state tax laws and regulations apply to your particular circumstances, please consult your tax professional.

After a number of procedural issues, the taxpayers requested a hearing, at which the taxpayers and the Division were represented by counsel.

The Division said, in part, that a net operating loss generated through a pass-through entity can flow to an individual, who reports it on his or her U.S. Form 1040. The NOL is applied against other income on the U.S. Form 1040 and flows into federal AGI. Federal AGI is the starting point for computing Rhode Island personal income tax.

In this case, there was no NOL on the taxpayers' feder-

al return, so there could be no NOL on their Rhode Island return, the Division said.

The taxpayers said that it is unfair that taxpayers cannot claim an NOL in Rhode Island for Rhode Island-source losses.

On July 9, 2018, Hearing Officer Catherine R. Warren determined that the taxpayers did not claim an NOL on their federal return for 2016. The taxpayers tried to claim an NOL on their Rhode Island return as a modification decreasing federal AGI for Rhode Island tax purposes, but Rhode Island statute does not provide for such a modification. She determined that the Division properly disallowed the taxpayers' NOL claim, and that the taxpayers owe the tax, penalty, and interest set forth in Notices that the Division sent them.

On July 12, 2018, Tax Administrator Neena S. Savage adopted the hearing officer's decision and recommendation.

-- Final Decision and Order
No. 2018-07

Refund for military

Should the Division have denied the taxpayer's personal income tax refund for 2014?

(Please turn to next page)



Tax hearings

Any taxpayer aggrieved by the action of the Tax Division in determining the amount of tax, surcharge, or penalty, may make written request for a formal hearing.

The taxpayer is first afforded an opportunity to have a preliminary review. Should the matter not be resolved, it may then proceed to formal hearing under the terms of the state Administrative Procedures Act (Rhode Island General Laws § 42-35-1 et seq.) and Division of Taxation regulation 280-RICR-20-00-2.

If not satisfied with the outcome, the taxpayer may appeal to Sixth Division District Court (Rhode Island General Laws § 8-8-24 et seq.).

Legal Corner

RECENT STATE TAX CASES IN SUMMARY (CONTINUED FROM PREVIOUS PAGE)

The military withheld tax from the taxpayer’s pay and sent the money to Rhode Island. The taxpayer requested a refund of the entire amount, asserting that he was a Connecticut resident and that the military had mistakenly withheld Rhode Island tax, not Connecticut tax.

However, the Division rejected his request, asserting that his claim for refund was not filed on time, citing Rhode Island General Laws § 44-30-87, “Limitations on credit or refund”.

The taxpayer appealed and a hearing was held. The Division was represented by counsel, the taxpayer by himself.

Under the law, a claim for credit or refund of an overpayment of tax must be filed within three years from the time the return was filed, or two years from the time the tax was paid, whichever of the periods expires the later.

◆ **Two-year rule:**

Under the two-year rule, the amount of the credit or refund cannot exceed the amount of the tax paid during the two years immediately preceding the filing of the claim. Any such claim filed in the two-year period is limited to



Statute of limitations for Rhode Island personal income tax refunds [Rhode Island General Laws § 44-30-87]

A claim for credit or refund of an overpayment of tax must be filed within three years from the time the return was filed or two years from the time the tax was paid, whichever of the periods expires the later.

Three-year rule	If the claim is filed within the three-year period, the amount of the credit or refund cannot exceed the amount of the tax paid within the three-year period.
Two-year rule	If the claim is not filed within the three-year period, but is filed within the two-year period, the amount of the credit or refund cannot exceed the amount of the tax paid during the two years immediately preceding the filing of the claim.

Note: Any income tax withheld from the taxpayer during any calendar year, and any amount paid as estimated income tax for a taxable year, is deemed to have been paid on the fifteenth day of the fourth month following the close of the taxable year for which the payments were being made.

Example of how the rules apply

Maria’s 2012 return was due on April 15, 2013. She actually filed the return on July 1, 2015. As a result, July 1, 2015, becomes the starting date for the three-year rule. The three-year period thus runs from July 1, 2015, to July 1, 2018. Were there any Rhode Island income tax payments attributable to 2012 during this three-year period? No.

When Maria worked in 2012, Rhode Island personal income tax was withheld from her wages each week for 52 weeks. By statute, the wage withholding was deemed paid on April 15, 2013. Maria then had two years from the April 15, 2013, payment date to file a 2012 return. Was the return filed within the two-year period? No. Maria does not pass either the three-year rule or the two-year rule. Her refund claim is therefore denied.

amounts paid in the preceding two years. Under the law, the taxpayer’s 2014 tax was deemed paid April 15, 2015, so he was able to request a refund two years from that date. However, the taxpayer filed his 2014 Rhode Island nonresident return in September 2017,

which is beyond the two-year limit.

◆ **Three-year rule:** If a claim for refund is filed within the three-year period, the amount of the credit or refund cannot exceed the amount of the tax paid within the three-year period. In this case, the taxpayer was within the three-year limit. However, from September 2017 to the present, the taxpayer had

not paid any tax attributable to the 2014 tax year.

The taxpayer testified that he had zero income from Rhode Island in 2014. He said that the U.S. Department of Defense erroneously paid his withholding to Rhode Island, even though he is a legal resident of Connecticut.

(Please turn to next page)

Legal Corner

RECENT STATE TAX CASES IN SUMMARY (CONTINUED FROM PREVIOUS PAGE)

He requested a refund of the entire withholding tax on the basis that he does not owe Rhode Island any tax.

The Division asserted that under Rhode Island statute, his request for a refund was not timely.

The taxpayer also said that Rhode Island's denial of his refund was unfair because the U.S. Department of Defense paid the wrong withholding tax. (Issues of fairness -- equity -- are beyond the scope of administrative proceedings and are the province of the courts.)

On August 1, 2018, the hearing officer determined that the taxpayer is not entitled to the refund claimed for 2014 and that the Division properly denied the taxpayer's claim for the refund. On August 1, 2018, the tax administrator adopted the hearing officer's decision and recommendation.

-- Final Decision and Order
No. 2018-08

Purchase of car

At issue is whether a sales/use tax refund should be issued when a newly purchased car is returned.

A taxpayer bought a car in Massachusetts on January 5, 2017. He then registered the

car and paid Rhode Island sales/use tax on the purchase.

He returned the car to the dealer in June 2017 and received a refund from the dealer.

However, his application for a refund of the sales/use tax was denied by the Rhode Island Division of Taxation.

At his request, a hearing was held, at which the Division was represented by counsel, the taxpayer by himself.

Rhode Island General Laws § 44-18-30(58) essentially allows for a refund of sales/use tax if three criteria are met:

- ◆ The contract must be rescinded;
- ◆ The entire contract amount, not including handling charges, must be refunded; and
- ◆ The property must be returned within 120 days of purchase.

The Division asserted that the taxpayer did not receive the full amount of the contract minus handling charges, and that the car was not returned within 120 days of purchase, so the taxpayer did not meet

the statutory requirements for a refund.

The taxpayer said he initiated the return of the car by filing a consumer complaint on March 29, 2017.

Thus, although the actual return of the car occurred

more than 120 days after the car's purchase, he testified that he initiated the return of the car within 120 days of purchase.

The hearing officer found that there was a rescission of contract as required by statute, but that the taxpayer did not receive the full amount of the contract minus handling charges, and that the return of the car was not completed within 120 days.

Thus, she determined on August 6, 2018, the taxpayer is not entitled to the claimed sales tax payment refund, and the Division properly denied the taxpayer's claim for refund. On August 10, 2018, the tax administrator adopted the hearing officer's decision and recommendation.

-- Final Decision and Order
No. 2018-09



Tax tip line

If you have information about wrongdoing involving state taxes, call the tax fraud tip line at (401) 574-TIPS or (401) 574-8477 and leave a message.

The line is staffed by the Rhode Island Division of Taxation's Special Investigation Unit, which follows up on all tips. Callers can leave their names and contact information or remain anonymous.

Practitioners' Corner**QUESTIONS AND ANSWERS ABOUT STATE TAXES**

Q: If I'm filing a combined return, and more than one entity in the combined group has deferred foreign income

("Section 965 income") for Rhode Island tax purposes for the 2017 tax year, should a Rhode Island

Schedule 965 ("965 Transition Tax Statement") be included in the filing for each entity, or should the filing include a single Rhode Island Schedule 965 that includes the combined Section 965-related amounts for all the entities?

A: The filing must include a single Rhode Island Schedule 965, showing the combined Section 965-related amounts for all the entities.

Although the Rhode Island Schedule 965 will include only the combined amounts for all the entities, you must nevertheless create a spreadsheet or other such document listing the underlying detail for each of the entities. That spreadsheet or other such document must be kept on file and made readily available should the Division require

the information at a later date.

Q: Regarding Rhode Island's sales and use tax, I have a certificate

of exemption for artistic works. I recently moved. Must I obtain a new certificate to reflect

the new address? If so, how do I go about it?

A: If you moved within Rhode Island, send a letter of explanation to: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908 -- Attention: Artist Exemption.

In the letter, explain your circumstances -- and provide details from your exemption certificate as well as proof of your new residency/ new address, such as the portion of a utility bill that shows your new address.

We will send you a new certificate reflecting the new address. Please allow time for processing. Please also complete and file Form RI-COI, "Change of Name or Address Form", to update the information on your permit. See our list of sales

and use tax forms: http://www.tax.ri.gov/taxforms/sales_excise/sales_use.php

Note: If you move out-of-state, the certificate is no longer valid. That's because the exemption applies only to residents. In other words, by moving out-of-state, you would lose your individual artist exemption. (As noted in statute, the exemption "only applies to sales by writers, composers, and artists residing in and conducting a business within the state of Rhode Island.")

Background: In general, Rhode Island law allows for a sales/use tax exemption for artistic works. Artists, writers, and composers must apply for a certificate of exemption; the application is on the Division's website. To learn more, see Rhode Island General Laws § 44-18-30B ("Exemption from sales tax for sales by writers, composers, artists – Findings").

The Rhode Island State Council on the Arts has information: <https://risca.online/buy-art-tax-free/>

See also Regulation 80-RICR-20-70-11, "Exemption of Sales by Writers, Composers and Artists":

<https://rules.sos.ri.gov/regulations/part/280-20-70-11>

(Please turn to next page)



About 'Practitioners' Corner'

The "Practitioners' Corner" feature provides general answers to some of the questions that the Tax Division encounters through the normal course of business.

The answers are intended solely to provide general information. They do not represent formal guidance, and are not substitutes for Rhode Island General Laws, Tax Division regulations, or Tax Division rulings.

Practitioners' Corner**QUESTIONS AND ANSWERS ABOUT STATE TAXES** (CONTINUED FROM PREVIOUS PAGE)

Q: My client's Rhode Island company, a C corporation, is being bought out by an out-of-state company. (The out-of-state company has never done business in Rhode Island and has had no Rhode Island filing or registration history.) The two parties prefer to call the transaction a merger. We must file an application for a letter of good standing from the Division of Taxation. The instructions for the application say we should file a Form RI-1120C ("Business Corporation Tax Return") through the date of the request. What does that mean?

A: It means that when you file with us your application for a letter of good standing, you must attach a *pro forma* Rhode Island corporate tax return on Form RI-1120C – reflecting the period ending on the date of the filing of the application.

Later on, when the transaction is completed, you'll file a short-year return with the Internal Revenue Service and a short-year return with us – in other words, the actual

return, not the *pro forma* return.

If the *pro forma* return shows a balance due for the Rhode Island corporation, you must pay the balance along with the return.

Q: I'm an artist. Some of my sales are exempt from Rhode Island sales tax, but some are not. For the sales that are not exempt, I must collect Rhode Island sales tax and remit the tax (in other words, turn it over) to the Rhode Island Division of Taxation. I cannot figure out when sales taxes are due.

A: As a general rule, those who hold a Rhode Island sales tax permit must remit on or before the 20th of the month following the month in which the sales tax was collected.

For example, if XYZ Retailer collects sales tax in August 2019, XYZ Retailer would have to forward the money to us on or before September 20th, 2019.

However, some retailers (with low volume) remit quarterly.

If you received coupons in the mail from us, they should show whether you must remit monthly or quarterly.

You can find out more about your account – including whether you must file monthly or quarterly – by contacting our Excise Tax section at (401) 574-8955. Meanwhile, here's a link to the remittance schedule(s):

<http://www.tax.ri.gov/documents/information/2018/2018%20TXCLDR%20SALES.pdf>



The Rhode Island State Council on the Arts is spreading the word (see above) about Rhode Island's statewide sales tax exemption on the sale of original and limited edition works of art.

**More information**

The Rhode Island Division of Taxation website includes forms and instructions, the agency's newsletter, as well as Administrative Decisions, Advisories, and much more.

See www.tax.ri.gov

RHODE ISLAND TAXES - RECENT DEVELOPMENTS

Security Summit

The Rhode Island Division of Taxation, the Internal Revenue Service, and other partners in the Security Summit recently issued a series of joint announcements under the title: "Protect Your Clients; Protect Yourself: Tax Security 101."

The Security Summit awareness campaign provides tax preparers and tax professionals with the basic information they need to better protect taxpayer data and to help prevent the filing of fraudulent tax returns.

The Security Summit consists of the IRS, state tax agencies, and the tax community -- including tax preparation firms, software developers, and tax professional organizations, among others. Partners in the Security Summit work together to combat identity theft to protect the nation's taxpayers.

Section 965

The Rhode Island Division of Taxation recently filed, as final, a regulation that provides guidance to C corporations and their advisors on how to report deferred foreign income ("Section 965 income") for Rhode Island tax purposes.

To view the regulation, "Treatment of Repatriated Income 2017" (280-RICR-20-25-15) See the following link:

<https://go.usa.gov/xUfnZ>

"The federal government in December 2017 enacted changes to federal tax law, which in turn required Rhode Island to review its tax laws," said Rhode Island Tax Administrator Neena Savage.

"This final regulation clarifies Rhode Island law with respect to C corporations that have income pursuant to Internal Revenue Code § 965," she said.

Under legislation (known as the Tax Cuts and Jobs Act) that was approved by Congress and signed into law by President Donald Trump on December 22, 2017, taxpayers with untaxed foreign earnings must include, in income for federal tax purposes, their accumulated post-1986 deferred foreign income (Section 965 income).

Such income must be included in income for federal tax purposes and is subject to tax at special effective federal tax rates. This is referred to as the "repatriation transition tax."

The regulation shows how Rhode Island treats this income. For more information, contact the Division's Income Tax unit at (401) 574-8935 between 8:30 a.m. and 3:30 p.m. business days, or email: Tax.Corporate@tax.ri.gov.

Tax credit report

The Division of Taxation

has posted on its website its latest annual tax credit and incentive report, as required by Rhode Island statute.

The latest report identifies 14 businesses that received a combined total of approximately \$14 million in certain state tax credits and incentives for the fiscal year ended June 30, 2018.

Three of those recipients also received a combined total of approximately \$4 million in other Rhode Island tax credits and incentives, the report shows.

Short-term rentals

The Division of Taxation has updated its publication involving short-term residential rentals. "Sales and hotel taxes on short-term residential rentals: FAQs" was revised mainly to provide updated links to certain documents.

Joint regulations

Rather than publish two separate sets of the same regulations, the Rhode Island Division of Taxation and the Rhode Island Commerce Corporation have agreed to post just one set when it comes to certain tax credits and related incentives.

All of the most recent regulations involving the Division of Taxation can be viewed on the Rhode Island Secretary of State's website:

<http://www.sos.ri.gov/>



E-file reminder

For the coming filing season, the Rhode Island Division of Taxation will accept the following returns under its electronic filing program (e-file):

- Form RI-1040
- Form RI-1040NR
- Form RI-1120C
- Form RI-1120S
- Form RI-1065



Rhode Island Department of Revenue Division of Taxation

NEWSLETTER POLICY

Rhode Island Tax News is a newsletter from the Rhode Island Department of Revenue's Division of Taxation. It is typically published each quarter. Its purpose is to provide taxpayers and tax professionals with general information regarding Rhode Island tax laws, regulations, and rulings, and procedures. It is neither designed nor intended to address complex issues in detail. Nothing contained in this newsletter in any way alters or otherwise changes any provisions of the Rhode Island General Laws, regulations of the Tax Division, or formal rulings. The Tax Division is at One Capitol Hill, Providence, RI 02908. Its website is www.tax.ri.gov.

HOW TO SUBSCRIBE

Rhode Island Tax News is distributed free, by e-mail, to those who have joined our listserv. If you are not on our listserv but would like to join, send an email to Neil.Downing@tax.ri.gov with the word SUBSCRIBE in uppercase in the subject block.

COMMENTS AND SUGGESTIONS

Unless otherwise indicated, all articles and photos in this issue are by the newsletter's editor, Neil Downing. If you have comments or suggestions for *Rhode Island Tax News*, please email: Neil.Downing@tax.ri.gov

BACK ISSUES

Rhode Island Tax News back issues are on the Tax Division website: www.tax.ri.gov

How to contact us

Taxpayers may contact the Division of Taxation online, by phone, by letter, or in person. (Hours of operation are typically 8:30 a.m. to 3:30 p.m. business days.)

Website

www.tax.ri.gov

(For numbers and e-mail addresses for specific sections, click the "Contact us" link.)

Mailing address

Rhode Island Division of Taxation
One Capitol Hill
Providence, R.I. 02908

Telephone

Phone: (401) 574-8829
Fax: (401) 574-8917



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The Division also thanks Hearing Officer Catherine Warren for her assistance.

Note: Cover photo of Rhode Island State House taken by Rhode Island Division of Taxation in October 2017.