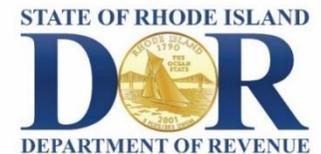


# RIAPA Presentation

## January 7, 2021



# Speakers

Neena Savage, Tax Administrator

Carlita Annicelli, Chief Revenue Agent

Susanna Coburn, Chief of Tax Processing

Jacques Moreau, Chief Revenue Agent

Leo Lebeuf, Chief of Tax Processing

Michael Canole, CPA, Assistant Tax Administrator

Kimberly Delgallo, Chief Revenue Agent

Theriza Salib-lafrate, Chief Revenue Agent

# Coronavirus Relief Grant Programs

Neena Savage  
Tax Administrator

# Coronavirus Relief Grant Programs

- First grant program announced November 5, 2020
  - Executive Order 20-95 amid pandemic.
  - Reduced hours for restaurants, bars.
  - Grants range from \$2,000 to \$10,000.
  - Division launched webpage, online application, FAQs on November 9, 2020.
  - See <http://www.tax.ri.gov/RICares/>
  - Applications due on or before December 15, 2020.

# Coronavirus Relief Grant Programs

- Second grant program announced November 25, 2020 – “Rhode Island on Pause”
  - Executive Order 20-100 amid pandemic.
  - Restrictions for various business categories.
  - Grants range from \$500 to \$50,000.
  - Division launched webpage, FAQs, and online application in English and Spanish, November 27, 2020
  - See <http://www.tax.ri.gov/RIonPause/>
  - Applications due on or before December 11, 2020.

# Coronavirus Relief Grant Programs

## RESULTS AS OF JANUARY 6, 2020

- **Grant 1: Early Closure: 853 grants totaling \$3,597,769.42.**
- **Grant 2: RI on Pause for Three Weeks: 3,975 grants totaling \$39,511,396.94.**
- **Total Dollars: \$43,109,166.36 as of January 5, 2020.**
- **Total Grants: 4,828 checks issued to date (Two checks for Grant 2).**

# Discussion of Individual Mandate

Carlita Annicelli  
Chief Revenue Agent  
Personal and Corporate Income Tax Section

- 514.5K Refunds issued as of 11/23/2020
- 492K at this point last year
- \$359M which is \$42M more than last year (PTE Implementation)
- 49,393 calls, 2,949 walk-ins, 10,179 emails as of 11/23/2020

- Inflationary changes
  - Personal Exemptions \$4,150
  
  - Standard Deduction
    - Single \$8,900
    - Joint \$17,800
    - HOH \$13,350
  
  - Phaseout \$207,700 - \$231,500
  
  - Social Security Amounts
    - Single \$86,350                      Joint \$107,950
  - Pension and Annuity
    - Single \$84,700                      Joint \$105,850
  
- Property Tax Relief Increase from \$385 to \$400
  
- Pass-through entity tax impact-Discussed later
  
- Individual Mandate
  
- Removal of Business Indebtness

- Key factors:
  - Modification is based on full retirement age (born before 01/01/1953)
  - All Filing statuses (single, separate, head of household, married joint or widow(er))
  - Fed adjusted gross income thresholds (less than \$80,000 and \$100,000) indexed for inflation
  - Pension decreasing modification = taxable amount from federal 1040 line 4d (on latest draft) up to maximum of \$15,000 per person
  - **Once AGI limitations are passed, no modification**
  - Does not include IRAs
  - \$15,000 limitation applies per individual for pension/Annuity. Unlimited for SSI
    - For example, Wife has taxable pension of \$17,000 and husband had \$8,000. Modification amount would be \$15,000 + \$8,000= \$23,000. Not \$25,000.
  - [Pension and Annuity Guidance document](#)

- The Rhode Island EITC is in addition to the Federal EITC. Rhode Island EITC rate is a percentage of the Federal EITC amount. 2015 = 10.0%; 2016 = 12.5%; 2017 = 15.00%; 2018-2020=15%;
- RI EITC is a refundable credit, which means the credit will be refunded to the taxpayer to the extent it exceeds the taxpayer's tax liability.
- RI conforms to federal eligibility and income thresholds.
- RI tax preparer's regulation includes guidance on due diligence requirements and records retention for EITC and RI-1040H property tax credit.
- [Tax Preparer's Regulation 280-RICR-20-55-4](#)
- If credit ineligibility is suspected, we may need to take extra steps to validate the EITC claim. (Example: requesting documentation of income and expenses)
- License vs income reporting
- Returns without expenses
- Documentation for income reporting

# Form RI-1040H

## Property Tax Relief Update

- Maximum Credit for 2020 = \$400.00
- Household income (taxable and nontaxable) = \$30,000 or less
- One credit per household
- Home or dwelling unit must be subject to property tax
- Municipal owned public housing is not subject to property tax, therefore credit is disallowed
- Nonresidents do not qualify, full-year Rhode Island residents only
- Must be age 65 or older or disabled (receiving social security disability, SSI or SSDI qualifies)
- Responses to previous questions [RI-1040H FAQ](#)

# Form RI-1040H

## Property Tax Relief Update

- What is household income?

- 14 Wages, salaries, tips, etc. from Federal Form 1040, line 1 .....
- 15 Interest and dividends (taxable and nontaxable) from Federal Form 1040, lines 2a, 2b and 3b .....
- 16 Taxable refunds, credits or offsets of state and local income taxes from Federal Form 1040, Sch 1, line 1
- 17 Alimony received from Federal Form 1040, Schedule 1, line 11.....
- 18 Business income (or loss) from Federal Form 1040, Schedule 1, line 12.....
- 19 Sale or exchange of property from Federal Form 1040, Schedule 1, lines 13 and 14.....
- 20 IRA distributions, and pensions and annuities from Federal Form 1040, line 4a.....
- 21 Rental real estate, royalties, S corps, trusts, etc. from Federal Form 1040, Schedule 1, line 17.....
- 22 Farm income or loss from Federal Form 1040, Schedule 1, line 18.....
- 23 Unemployment compensation from Federal Form 1040, Schedule 1, line 19.....
- 24 Social security benefits (including Medicare premiums) taxable and nontaxable, and Railroad Retirement Benefits from Federal Form 1040, line 5a.....
- 25 Other income from Federal Form 1040, Schedule 1, line 21.....

# Non-resident Real Estate Withholding Update

- Referred to as “71.3 Withholding”
- Please make every attempt to adhere to the 20 day rule, regarding submissions
  - Especially if mailing, most mail is received 3 to 5 days after mailed
  - Do not submit forms with a past date
  - New Email Criteria – Steps to Expedite Service
    - Email: [tax.nonres713@tax.ri.gov](mailto:tax.nonres713@tax.ri.gov)
    - Always include the name of the seller and the property address
    - Remittances that require payment cannot be emailed
    - Complete forms entirely
- Recent Update Links
  - <http://www.tax.ri.gov/taxforms/nrrewh.php>
  - [http://www.tax.ri.gov/Advisory/ADV\\_2020\\_40.pdf](http://www.tax.ri.gov/Advisory/ADV_2020_40.pdf)
    - Advisory regarding electronic signature submission

## Entity Types

### ○ C Corporations

- RI-1120C
- Tax Rate at 7% starting with 2016, 9% prior years
- Minimum Tax of \$500 for 2004 – 2015, \$450 for 2016, \$400 for 2017 forward
- 15<sup>th</sup> day of the 4<sup>th</sup> month after close of taxable year

### ○ S-Corps

- RI-1120S
- Tax equal minimum tax of C-Corps
- Franchise tax repealed as of 1/1/2015 (RIGL 44-12-1)
- 15<sup>th</sup> day of 3<sup>rd</sup> month after close of taxable year

## Corporate Tax Specifics

### Entity Types Continued

- Limited Liability Companies (LLC)
  - RI-1065
  - Tax equal to minimum tax of C-Corps
  - Includes Single Member LLC's
  - 15<sup>th</sup> day of the 3<sup>rd</sup> month after close of taxable year
  
- Limited Partnerships (LP) & Limited Liability Partnerships (LLP)
  - RI-1065
  - Tax equal to minimum tax of C-Corps
  - Legislation as 01/01/12
  - 15<sup>th</sup> day of the 3<sup>rd</sup> month after close of taxable year

- [Extension of Time to File \(280-RICR-20-55-2\)](#)
- Extension of time to file; Not time to pay
- Definition of a Proper Estimate
  - “Proper estimate” means a Rhode Island extension form filed by the regular due date which declares at least eighty percent (80%) of the tax due for the taxable year.
- Extension must be filed on time and have “proper estimate” to be considered valid
- Federal extension is acceptable if no payment is due on 04/15
- Regulation covers “Reasonable Cause” for Waiver of Late Filing Addition to the Tax

# Field Audit Update

Susanna Coburn  
Chief of Tax Processing  
Assessment and Review Section

## Continuation of Audit, Covid-19 Protocols

- ❖ All audits conducted remotely
- ❖ What if the audit can not be conducted remotely?
  - Voluminous records
  - No electronic data
- ❖ Field appointment protocol
  - Documentation/email from taxpayer
  - Secure Covid-19 plan
  - Agents must contact the business to confirm no positive Covid-19 cases reported in the last fourteen (14) days
  - Agents must maintain a contact tracing log

## Nonresident Contractors

### ❖ R.I. General Law 44-1-6

- Any individual, business, government agency, or exempt agency, doing business with a nonresident contractor is required to withhold payment equal to three percent (3%) of the total contract price.

### ❖ R.I. Regulation 280-RICR-20-70-54

- A nonresident contractor means, “one who does not maintain a regular place of business in this state. A regular place of business shall be deemed to mean and include any bona fide office (other than a statutory office), factory, warehouse or other space in this state at which the taxpayer is doing business in its own name in a regular and systematic manner, and which is continuously maintained, occupied and used by the taxpayer in carrying on its business through its regular employees regularly in attendance. A temporary office at the site of construction shall not constitute a regular place of business.”

## Non-Resident Contractors

### ❖ Awarding project contract

- Resident contractor
- Nonresident contractor

### ❖ Possible outcomes from project audit

- Certificate of No Tax Due
- Assessment
- Failure to comply

### ❖ Questions

- [Tax.Contractor@tax.ri.gov](mailto:Tax.Contractor@tax.ri.gov)

# Special Investigation Unit

Jacques Moreau  
Chief Revenue Agent  
Audit & Investigation

- Special Investigation Unit Overview
- Business Transfers – New Business Applications
- Statistics
- New Products – Hemp Cigarettes “Hemp-ettes”, etc.

"Cigarettes" means and includes any cigarettes suitable for smoking in cigarette form, and each sheet of cigarette rolling paper, including but not limited to, paper made into a hollow cylinder or cone, made with paper or any other material, with or without a filter suitable for use in making cigarettes.

# Discussion of Individual Mandate

Leo Lebeuf

Chief of Tax Processing  
Assessment and Review Section

- RI requirement for every RI resident to have health insurance
- Begins 01/01/2020
- Reported on 2020 income tax return filed in 2021
- Will be based on Federal
- Joint implementation team with HealthSource RI
- Employer Reporting requirement
- Draft forms and instructions available on website software developers link
- Open Enrollment is 11/01/20 – 12/31/20 (<https://HealthSourceRI.com>)
- <http://www.tax.ri.gov/healthcoveragemandate/index.php>
- [Individual Mandate Regulation](#)

# Individual Mandate

State of Rhode Island Division of Taxation  
**Form IND-HEALTH**  
Individual Health Care Mandate Form



20106299990101

Name \_\_\_\_\_ Social security number \_\_\_\_\_

Coverage Exemption Reasons and Codes			
Income Below Filing Threshold	NC	Aggregate Self Only Coverage Considered Unaffordable	G1
Coverage Considered Unaffordable	A	Member of Tax Household Born or Adopted During the Year	H1
Short Coverage Gap	B	Member of Tax Household Died During the Year	H2
Citizens Living Abroad & Certain Noncitizens	C	Nonresident of Rhode Island	N
Members of Healthcare Sharing Ministry	D	Had Minimum Essential Health Coverage	X
Members of Indian Tribes	E	HealthSource RI Exemption	RI
Incarceration	F	COVID - Related Hardship	19

Enter the name and social security number for each member of your tax household. For each household member, use the chart above to enter an exemption code for each corresponding month in which the household member had minimum essential health coverage or an exemption. If an individual qualified for an exemption through HealthSource RI, enter the exemption number(s) in the space provided.

Refer to the Individual Mandate Instructions for details and instructions on each of the coverage exemption types listed above.

If there are more than five (5) members in your tax household, please complete multiple IND-HEALTH Forms.

Name:		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Social Security Number:	Check <input type="checkbox"/> if under 18 years of age as of 01/01/2020												
Exemption Number:	Number of months for which an exemption did not apply:												
Name:		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Social Security Number:	Check <input type="checkbox"/> if under 18 years of age as of 01/01/2020												
Exemption Number:	Number of months for which an exemption did not apply:												

# Individual Mandate

State of Rhode Island Division of Taxation  
**2020 Shared Responsibility Worksheet**  
Individual Mandate Penalty Calculation



IMAGEONLY

Name	Social security number

**NOTE: Use this worksheet to determine the amount of your Shared Responsibility Penalty Amount**

**PROPOSED INDIVIDUAL MANDATE PENALTY CALCULATION FOR RHODE ISLAND for TY2020**

**STEP 1: FLAT DOLLAR AMOUNT METHOD**

1 Enter the number of months that members of the tax household **DID NOT HAVE** coverage or an exemption

a Total number of months for ALL ADULTS: \_\_\_\_\_ X \$57.92 Enter total here ->

c Total number of months for ALL CHILDREN UNDER 18 YEARS OF AGE: \_\_\_\_\_ X \$28.96 Enter total here ->

2 Add the amounts from lines 1b and 1d.....

3 Enter the amount from line 2 or \$2,085.00, whichever is less.....

1b	
1d	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	

**STEP 2: PERCENTAGE OF INCOME METHOD**

4 Enter your Modified Adjusted Gross income (see instructions).....

5 Enter your Federal Standard Deduction (see instructions).....

6 Subtract the amount on line 5 from the amount on line 4.....

7 Income Percentage Amount. Multiply the amount on line 6 by 2.5% (0.025).....

8 Enter the total number of members in your household.  
NOTE: All members should be listed on Form IND-HEALTH - Individual Health Care Mandate Form.....

9 Multiply the number of household members from line 8 by 12.0.....

10 Total number of months subject to the penalty. Add lines 1a and 1c.....

11 Divide line 10 by line 9. Carry apportionment to four decimal places (0.0000).....

12 Multiply line 11 by line 7.....

13 Enter the amount from line 3 or line 12, whichever is greater.....

**STEP 3: BRONZE PLAN METHOD**

14 a Enter the number of months subject to the penalty from line 10.....

b Multiply the number of months from line 14a X \$280 and enter the total here.....

c Enter the amount listed to the right for your tax household size  
1 member: \$3,360    2 members: \$6,720    3 members: \$10,080  
4 members: \$13,440    5 or more members: \$16,800

d Enter the amount from line 14b or line 14c, whichever is less.....

15 **Individual Mandate Penalty.** Enter the amount from line 13 or line 14d, whichever is less. Enter this amount on Form RI-1040, page 1, line 12b or Form RI-1040NR, page 1, line 15b.....

14a	
14b	
14c	
14d	
15	

## Additional Discussion points

### ○ Exemptions

<b>Coverage Exemption Reasons and Codes</b>			
Income Below Filing Threshold	<b>NC</b>	Aggregate Self Only Coverage Considered Unaffordable	<b>G1</b>
Coverage Considered Unaffordable	<b>A</b>	Member of Tax Household Born or Adopted During the Year	<b>H1</b>
Short Coverage Gap	<b>B</b>	Member of Tax Household Died During the Year	<b>H2</b>
Citizens Living Abroad & Certain Noncitizens	<b>C</b>	Nonresident of Rhode Island	<b>N</b>
Members of Healthcare Sharing Ministry	<b>D</b>	Had Minimum Essential Health Coverage	<b>X</b>
Members of Indian Tribes	<b>E</b>	HealthSource RI Exemption	<b>RI</b>
Incarceration	<b>F</b>	COVID - Related Hardship	<b>19</b>

### ○ Calculation

- Taxpayer subject to the mandate without health insurance
  - Single taxpayers would pay \$695-\$3,360
  - Family of five (2 adults, 3 children) below 200K \$2,085-\$5,000
  - Family of five (2 adults, 3 children) 200K to 400K \$2,085-\$10,000
  - Family of five (2 adults, 3 children) above 400K \$2,085-\$16,800
- Number of months without insurance could change amounts

## Actual Calculation

Scenario-Family with 2 adults and 2 children. Father had coverage for October – December 2020. Mother had coverage in July-December 2020. One child was covered throughout 2020 and one was born in July with full coverage.

Father has 9 months without coverage. Form IND-Health would have “X” in Oct-Dec.

Mother has 6 months without coverage. Form IND-Health would have “X” in July-Dec.

Child 1 has 12 months coverage. Form IND-Health would have “X” in Jan-Dec.

Child 2 has 6 months coverage. Form IND-Health would have “X” in August-Dec and “H1” in Jan-July.

# Individual Mandate

## Actual Calculation

<b>Step 1: Flat Dollar Amount Method</b>				Example 1	Example 2
Months for Adults	15	X	\$ 57.92	\$ 868.80	\$ 868.80
Months for Children	0	X	\$ 28.96	\$ -	\$ -
Line 2				\$ 868.80	\$ 868.80
Line 3	Greater of line 2 or \$2,085			\$ 868.80	\$ 868.80
<b>Step 2: Percentage of Income Method</b>					
Mod AGI				\$ 250,000.00	\$ 100,000.00
Fed Stand Deduction				\$ 24,500.00	\$ 24,500.00
Line 6				\$ 225,500.00	\$ 75,500.00
2.5% of income				\$ 5,637.50	\$ 1,887.50
household members					4
Members X 12					48
Penalty months					15
Percentage				0.3125	0.3125
Income Method Penalty				\$ 1,761.72	\$ 589.84
Greater of Flat vs Income				\$ 1,761.72	\$ 868.80
<b>Step 3: Bronze Plan Method</b>					
Months subject to Penalty					15
Months X \$280				\$ 4,200.00	\$ 4,200.00
Max Amount for household				\$ 13,440.00	\$ 13,440.00
Lesser of Calc vs Max				\$ 4,200.00	\$ 4,200.00
<b>Individual Mandate Penalty (lesser)</b>				<b>\$ 1,761.72</b>	<b>\$ 868.80</b>

# Break

# Discussion of Pass-through Entity Tax

Michael Canole  
Assistant Tax Administrator

# Pass Through Entity Taxation Election (44-11-2.3)

- Effective 07/01/19
- Tax payments on behalf of residents and non-residents
- Income tax calculated at 5.99% of RI source income
- BUS-EST used to make estimated payments
- Definition of an pass-through entity:
  - "Pass-through entity" means a corporation that for the applicable tax year is treated as an S Corporation under I.R.C. 1362(a) (26 U.S.C. § 1362(a)), or a general partnership, limited partnership, limited liability partnership, trust, limited liability company or unincorporated sole proprietorship that for the applicable tax year is not taxed as a corporation for federal tax purposes under the state's regulations.
- Modification required on Schedule M of RI-1040 to add back tax

# Pass Through Entity Taxation Election (44-11-2.3)

## 2020 Updates

- IRS Notice 2020-75—Deductibility of Payments by Partnerships and S-Corps
  - <https://www.irs.gov/pub/irs-drop/n-20-75.pdf>
  - Sole Proprietor discussion
- Allowance of refunds and carryforwards
- Underestimated interest assessments
- Modification amounts and 1099E's
- Clarification only
  - Tax paid by the entity for benefit of Individuals (natural person)
  - "Owner" means an **individual** who is a shareholder of an S Corporation; a partner in a general partnership, a limited partnership, or a limited-liability partnership; a member of a limited-liability company, a beneficiary of a trust; or a sole proprietor.

# Pass Through Entity Taxation Election (44-11-2.3)

## Part 1: Declaration of estimated tax

Check the box next to the form for which you are making an estimated payment. Check only one box.

- Form RI-1120 - Rhode Island Corporate Income Tax - Key #54

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- Form RI-1120POL - Rhode Island Political Organization Tax - Key #78

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- Form T-71 - Rhode Island Gross Premium Insurance Tax - Key #13

---

- Form T-71A - Surplus Lines - Key #13

---

- Form T-72 - Rhode Island Public Service Corporation Gross Earnings Tax - Key #22

---

- Form T-74 - Rhode Island Banking Institution Excise - Key #11

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- Form T-86 - Rhode Island Bank Deposits - Key #10

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- Form RI-PTE - Pass-Through Entity Election - Key #82

The amounts and due dates of the installments for a **calendar year filer** are as follows:  
25% of the taxable year tax by April 15th  
50% of the taxable year tax by June 15th  
75% of the taxable year tax by Sept 15th  
100% of the taxable year tax by Dec 15th

Mail voucher and payment to:  
RI Division of Taxation  
One Capitol Hill  
Providence, RI 02908

**NOTE:** If payment is made online, you do not need to send voucher in.

# Pass Through Entity Taxation Election (44-11-2.3)

**MODIFICATIONS INCREASING FEDERAL AGI**

2a	Income from obligations of any state or its political subdivisions, other than Rhode Island under RIGL §44-30-12(1) and RIGL §44-30-12(2).....	2a	
b	Rhode Island fiduciary adjustment as beneficiary of an estate or trust under RIGL §44-30-17.....	2b	
c	Recapture of Family Education Account modifications under RIGL §44-30-25(g).....	2c	
d	Bonus depreciation taken for federal purposes that must be added back to Rhode Island income under RIGL §44-61-1.....	2d	
e	Recapture of Tuition Saving Program modifications (section 529 accounts) under RIGL §44-30-12(4).....	2e	
f	Recapture of tax credit income previously claimed as a modification decreasing Federal AGI (see instructions for more information).....	2f	
g	Recapture of Scituate Medical Savings Account modifications under RIGL §44-30-25.1(d)(3)(i).....	2g	
h	Pass-through Entity Tax Elected to be Paid under RIGL §44-11-2.3.....	2h	
i	Total modifications <b>INCREASING</b> Federal AGI. Add lines 2a through 2h.....	2i	

# Pass Through Entity Taxation Election (44-11-2.3)

RHODE ISLAND W-2 AND 1099 INFORMATION - Page 4

Name(s) shown on Form RI-1040 or RI-1040NR	Your social security number
--	-----------------------------

**Complete this Schedule listing all of your and, if applicable, your spouse's W-2s and 1099s showing Rhode Island Income Tax withheld. W-2s or 1099s showing Rhode Island Income Tax withheld must still be attached to the front of your return. Failure to do so may delay the processing of your return. **ATTACH THIS SCHEDULE W TO YOUR RETURN****

	Column A <u>Enter "S" if Spouse's W-2 or 1099</u>	Column B <u>Enter 1099 letter code from chart</u>	Column C <u>Employer's Name from Box C of your W-2 or Payer's Name from your Form 1099</u>	Column D <u>Employer's state ID # from box 15 of your W-2 or Payer's Federal ID # from Form 1099</u>	Column E <u>Rhode Island Income Tax Withheld (SEE BELOW FOR BOX REFERENCES)</u>
1					

Schedule W Reference Chart								
Form Type	Letter Code for Column B	Withholding Box	Form Type	Letter Code for Column B	Withholding Box	Form Type	Letter Code for Column B	Withholding Box
W-2		17	1099-G	G	11	1099-OID	O	14
W-2G	W	15	1099-INT	I	17	1099-R	R	14
1042-S	S	17a	1099-K	K	8	RI-1099E	E	9
1099-B	B	16	1099-MISC	M	15	RI-1099PT	P	9
1099-DIV	D	15	1099-NEC	N	5			



# Pass Through Entity Taxation Election (44-11-2.3)

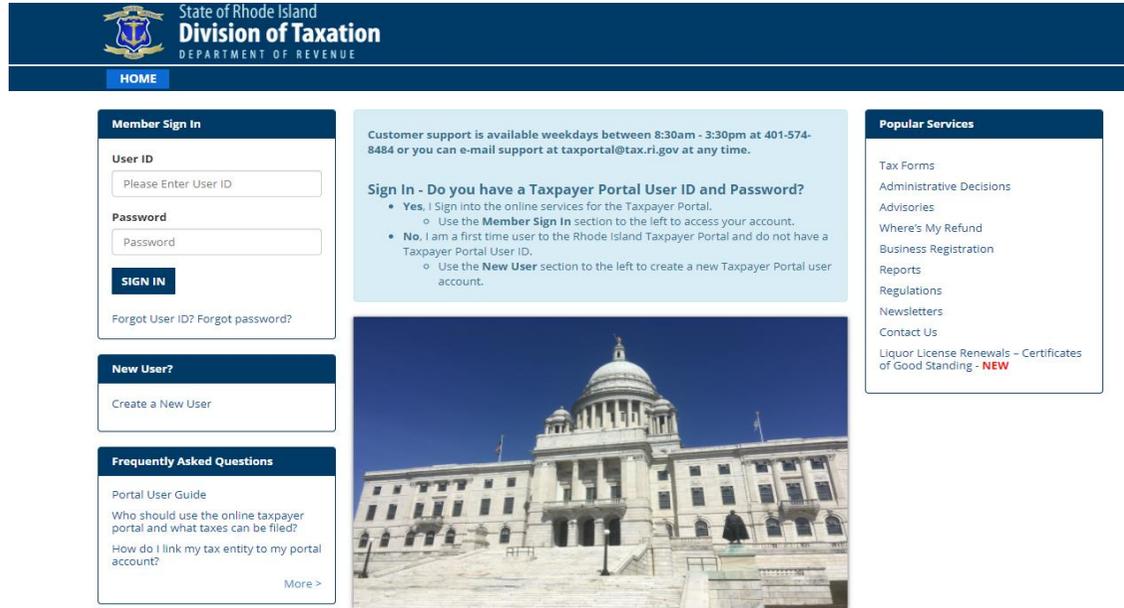
	Entity Return Paying RI Entity Tax					
Income for Entity		1,000,000				
RI Entity Tax @6%		60,000				
Reportable Income		940,000				
Federal K-1 to each partner		470,000	RI K-1 to each partner			470,000
			RI Modification increasing			30,000
						500,000
			Credit for RI Entity Tax			30,000
Federal AGI		470,000	RI AGI		470,000	
Tax @ 35%		164,500	Modification Increasing		30,000	
			RI Modified AGI		500,000	
			RI Tax @ 6%		30,000	
			Less Credit for Entity Tax		30,000	
			Balance due to RI		-0-	



# Portal Update

Kimberly Delgallo  
Chief Revenue Agent  
Project Oversight and Analytics Section

- Portal went live in June of 2019
- Over 18,000 registered businesses
- Over \$416 million in payments made via the portal
- Over 73,000 returns filed through portal
- Including LOGS, sales returns and Annual Recs



The screenshot shows the homepage of the Rhode Island Taxpayer Portal. At the top is a navigation bar with the State of Rhode Island Division of Taxation logo and a 'HOME' button. The main content area is divided into several sections:

- Member Sign In:** A form with fields for 'User ID' (with a placeholder 'Please Enter User ID') and 'Password', a 'SIGN IN' button, and a link for 'Forgot User ID? Forgot password?'.
- New User?:** A button labeled 'Create a New User'.
- Frequently Asked Questions:** A section titled 'Portal User Guide' with the text 'Who should use the online taxpayer portal and what taxes can be filed?' and 'How do I link my tax entity to my portal account?'. A 'More >' link is at the bottom.
- Customer Support:** A text box stating 'Customer support is available weekdays between 8:30am - 3:30pm at 401-574-8484 or you can e-mail support at [taxportal@tax.ri.gov](mailto:taxportal@tax.ri.gov) at any time.'
- Sign In - Do you have a Taxpayer Portal User ID and Password?:** A section with two bullet points:
  - **Yes,** I Sign into the online services for the Taxpayer Portal.
    - Use the **Member Sign In** section to the left to access your account.
  - **No,** I am a first time user to the Rhode Island Taxpayer Portal and do not have a Taxpayer Portal User ID.
    - Use the **New User** section to the left to create a new Taxpayer Portal user account.
- Popular Services:** A list of services including Tax Forms, Administrative Decisions, Advisories, Where's My Refund, Business Registration, Reports, Regulations, Newsletters, Contact Us, and Liquor License Renewals - Certificates of Good Standing - **NEW**.
- Image:** A photograph of the Rhode Island State Capitol building.

Portal Phone number: 401-574-8484  
Portal Email: [taxportal@tax.ri.gov](mailto:taxportal@tax.ri.gov)

FUNCTION	STAARS PORTAL
<b>File &amp; Pay a Tax Return</b>	<ul style="list-style-type: none"> <li>Supported for all taxes that are not currently processed through IRS interface (MEF - 1040, 1120, 1065, 1041)</li> <li>No longer have to pay electronic and then send in a paper return</li> </ul>
<b>Make a Tax Payment</b>	<ul style="list-style-type: none"> <li>Allows for Final, Estimated, Extension and Bill Payments for all tax types</li> <li>Payment date is through 11:59PM</li> <li>Can schedule payments up to 364 days in advance</li> <li>Can make bill payments via ach debit instead of credit card</li> </ul>
<b>LOGS / Compliance Check</b>	<ul style="list-style-type: none"> <li>Taxpayer prompted to check compliance of their accounts to ensure smooth LOGS application process</li> <li>Compliance check includes looking for outstanding debts and periods missing returns</li> <li>Smart Application helps taxpayer navigate and correctly fill out application</li> </ul>

FUNCTION	STAARS PORTAL
<b>Service Requests</b>	<ul style="list-style-type: none"> <li>• Allows users to submit requests for:               <ul style="list-style-type: none"> <li>Power of Attorney</li> <li>Updating the status/address of an account</li> <li>Report identity theft</li> <li>Provide additional information for an open Letter of Good Standing Application</li> </ul> </li> </ul>
<b>License Renewal</b>	<ul style="list-style-type: none"> <li>• When a license is available to be renewed, a single “renew” button prompts the taxpayer to make a payment for automatic renewal</li> <li>• Taxpayer can discern from the landing page if there are outstanding debts that may prevent a license from being issued; full transparency into the status of a license</li> </ul>
<b>Taxpayer Payment History</b>	<ul style="list-style-type: none"> <li>• Customized detailing of all payments, regardless of filing source, along with related information (e.g. effective dates)</li> <li>• Payment history for taxpayer available regardless of payment type and payment source</li> <li>• Ability to Export Data</li> <li>• Payment history helps preparers ensure that the returns are filled in correctly concerning that carryforwards, estimated payments, extension payments and other payments in a given</li> </ul>

## Step 1: Visit [Taxportal.ri.gov](http://Taxportal.ri.gov) and create a username and password



State of Rhode Island  
**Division of Taxation**  
DEPARTMENT OF REVENUE

HOME

**Member Sign In**

**User ID**

**Password**

**SIGN IN**

[Forgot User ID? Forgot password?](#)

Customer support is available weekdays between 8:30am - 3:30pm at 401-574-8484 or you can e-mail support at [taxportal@tax.ri.gov](mailto:taxportal@tax.ri.gov) at any time.

Scheduled maintenance will be done on Friday, October 4th from 8pm to 11pm. During this time, the system will be unavailable. Please plan accordingly.

**Sign In - Do you have a Taxpayer Portal User ID and Password?**

- **Yes**, I Sign into the online services for the Taxpayer Portal.
  - Use the **Member Sign In** section to the left to access your account.
- **No**, I am a first time user to the Rhode Island Taxpayer Portal and do not have a Taxpayer Portal User ID.
  - Use the **New User** section to the left to create a new Taxpayer Portal user account.

**Popular Services**

- [Tax Forms](#)
- [Administrative Decisions](#)
- [Advisories](#)
- [Where's My Refund](#)
- [Business Registration](#)
- [Reports](#)
- [Regulations](#)
- [Newsletters](#)
- [Contact Us](#)
- [Liquor License Renewals - Certificates of Good Standing - \*\*NEW\*\*](#)

**New User?**

[Create a New User](#)

**Frequently Asked Questions**

Who should use the online taxpayer portal and what taxes can be filed?

How do I link my tax entity to my portal account?

[More >](#)



## Step 2: Get PIN from Taxation

## Step 3: Log in using name and password



State of Rhode Island  
**Division of Taxation**  
DEPARTMENT OF REVENUE

HOME

**Member Sign In**

**User ID**

**Password**

SIGN IN

[Forgot User ID?](#) [Forgot password?](#)

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**Popular Services**

- [Tax Forms](#)
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**New User?**

[Create a New User](#)

**Frequently Asked Questions**

Who should use the online taxpayer portal and what taxes can be filed?  
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[More >](#)



## Step 4: Link User ID to Taxation using PIN



State of Rhode Island  
**Division of Taxation**  
DEPARTMENT OF REVENUE

Log Out

**HOME** EDIT PERSONAL INFO MESSAGE CENTER ~

Welcome, Kim  
You last logged in on  
**Friday, 11/29/2019 03:15 PM**

### Complete Your Registration

**Administrator Users** - To complete your initial registration, at least one portal user must be assigned this role before any additional Users can be registered. This individual will have the widest range of portal permissions. This individual may also authorize other individuals to access taxpayer account information. Register as an Administrator User [here](#)

**Authorized Users** - If you will perform tax functions on behalf of a taxpayer, provide your User ID to the taxpayer's administrator to be granted access to a taxpayer's online account.



State of Rhode Island  
**Division of Taxation**  
DEPARTMENT OF REVENUE

Log Out

**HOME** EDIT PERSONAL INFO MESSAGE CENTER ~

Home / AddTaxpayer

Select one of the options below 

Progress

Please review the options below and select the one that best fits your registration scenario. Businesses will need their FEIN. Sole Proprietors will need their Social Security Number (SSN). You should have received a letter from the Division of Taxation with a Personal Identification Number (PIN). You will need this number to complete your registration. If you have not received a PIN or don't remember it, please [Contact Us](#).

I am adding administrator authorization and have an FEIN and my required PIN.

I am adding administrator authorization and have an SSN and my required PIN.

[← BACK](#)

[CANCEL](#)

[NEXT](#)

## Step 5: View your linked taxpayer account


Log Out

HOME PROFILE INFORMATION ▾ ACCOUNT INQUIRY ▾ ONLINE TRANSACTIONS ▾ MESSAGE CENTER ▾ SERVICE REQUESTS ▾

Welcome, [Name]

You have 0 linked taxpayer accounts.

You last logged in on  
**Friday, 11/29/2019 03:15 PM**

---

**User Profile Summary**

[Name]@tax.ri.gov

---

**Taxpayer Information**

**PORTAL TEST**  
1 CAPITOL HL  
PROVIDENCE, RI 02908-5816  
UNITED STATES

SELECT A TAXPAYER

**Tax Accounts** ?

Account Type	ID	Address	Last Activity Date	Current Balance	Last Period Filed
ADMIN/ LETTER OF GOOD STANDING	2-1234-2165	1 CAPITOL HL, PROVIDENCE, RI, 029085816		\$0.00	
CORPORATE	2-1234-1164	1 CAPITOL HL, PROVIDENCE, RI, 029085816		\$0.00	
WITHHOLDING/ FILING	2-1234-2167	1 CAPITOL HL, PROVIDENCE, RI, 029085816		\$0.00	
WITHHOLDING/ RECONCILIATION	2-1234-2168	1 CAPITOL HL, PROVIDENCE, RI, 029085816		\$0.00	

Showing 1 to 4 of 4 entries

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**Outstanding Debts** ?

This taxpayer has no outstanding debt.

# Step 6: See all taxpayers linked to your Portal user ID:



State of Rhode Island  
**Division of Taxation**  
 DEPARTMENT OF REVENUE

Log Out

HOME
PROFILE INFORMATION ▾
ACCOUNT INQUIRY ▾
ONLINE TRANSACTIONS ▾
MESSAGE CENTER ▾
SERVICE REQUESTS ▾

Profile Information / My Taxpayers

## My Taxpayers ?

Below is the list of Taxpayers you are authorized to view. Click the Taxpayer name in the list to view the details for that Taxpayer. If you need to add a new Taxpayer, click the **[Add a Taxpayer]** button. You will need the taxpayer's FEIN or SSN, and their PIN number.

**ADD A TAXPAYER**

Search:

Taxpayer ▲	Last Accessed ▼
PORTAL TEST	11/29/2019
SECOND PORTAL TEST	11/29/2019

Showing 1 to 2 of 2 entries

⏪ < 1 > ⏩

# Excise and Estate Tax Update

Theriza Salib-Iafrate  
Chief Revenue Agent  
Excise and Estate Tax Section

# Sales Tax Reconciliation Form

- T-204A: Class A alcohol ONLY (commonly held by liquor stores)
- T-204W: Writers, Artists, Composers ONLY
- T-204R: ALL other filers. New fields / categories will be added to the 2020 annual reconciliation form to itemize amounts corresponding to the new tax changes.
- Electronic filing options:
  - Taxation portal at [www.taxportal.ri.gov](http://www.taxportal.ri.gov)
  - ri.gov portal
- Due Date is 02/01/2021

**DO NOT use prior years forms to file for 2020**

- Credit has increased for decedents dying on or after January 1, 2020
  - Old credit = \$69,515
  - **New credit = \$70,490**
- Thus, threshold has increased for 2021. In general, a net taxable estate whose value is below the threshold amount will escape Rhode Island estate tax.
- Estate threshold amount for 2021 will be **\$1,595,156**.
- [Recent Advisory](#)

Governor Raimondo has chosen Division of Taxation to administer two grant programs  
[Coronavirus Relief Grant Programs](#)

## Executive Order 20-95 Reduced Hours

- For Restaurants and Bars impacted by Executive Order 20-95
  - Eligibility
    - Registered with the RI Division of Taxation
    - Maintain an active Liquor License
    - Filed and paid Sales Tax for the months of July, August and September
    - Filed and paid Meals and beverage tax for the months of July, August and September
  - Application period from November 9, 2020 to December 15, 2020
  - Minimum grant of \$2,000. Maximum grant of \$10,000.
  - Calculation based on 75% of the average sales and meals and beverage tax paid for months of July-Sept 2020.
  - [FAQ](#)

## Rhode Island on Pause

- Rhode Island on Pause
  - Impacted by the 2 week pause restrictions effective 11/30/2020
  - Eligibility
    - Registered with the RI Division of Taxation
    - Filing taxes with the RI Division of Taxation
    - Be a viable business - either currently open or temporarily closed
  - Application period from November 27, 2020 to December 11, 2020
  - Minimum grant of \$500. Maximum grant of \$50,000.
  - Two separate calculations based on business classification
  - [FAQ](#)

# 2021 Employer Tax Update

## UI, TDI and JDF Wage Bases and Tax rates

Philip D'Ambra  
Chief of Tax Processing  
Employer Tax Section

## 2021 Employer Tax Update

- New Employer Rate
- ES Rate Schedule and Tax Rates
- ES and JDF Wage Base Calculation
- TDI Tax Rate
- TDI Wage Base Calculation
- Unemployment Benefits Update
  - Executive Order Waiving Contributory Charges due to Covid 19
  - Imposter Fraud
  - Extended Benefits
- Localization

## **New Employer Rate Section 28-43-8.3)**

### **New Employer Rate – 1.16%**

The new employer rate will be 1.16 percent for calendar year 2021. This includes the 0.21 percent Job Development Assessment. The 2020 new employer rate was 1.27 percent including the 0.21 percent Job Development Assessment.

The new employer rate is based on the State's five-year benefit cost rate for new employers. The new employer benefit cost rate is determined by dividing the total amount of benefits charged to new employer accounts under the Employment Security Act by the total taxable payroll for new employers over the last five experience years (years ending September 30). By law, the New Employers shall pay contributions at a rate not exceeding 4.2 percent that is the higher of 1.0 percent or the state's five year benefit cost rate for employers not eligible for any experience rate.”

### **Tax Schedule- H**

Tax Schedule H with rates ranging from 1.2 percent to 9.8 percent will be in effect throughout calendar year 2021. These rates will be reduced by 0.21 percent to offset the Job Development Assessment. Tax Schedule F with rates ranging from 0.9 percent to 9.4 percent was in effect in calendar year 2020.

## **UI Taxable Wage Base (Section 28-43-7, b)**

### **\$24,600; \$26,100 for employers at the highest rate**

The UI Taxable Wage Base for most Rhode Island employers will be \$24,600 in 2021. For those employers at the highest tax rate, the UI taxable wage base will be set \$1,500 higher at \$26,100. The 2020 taxable wage base was \$24,000 for most employers and \$25,500 for those at the highest tax rate.

The UI Taxable Wages Base is set at 46.5 percent of the average annual wage of workers employed by employers subject to the contribution provisions (i.e. taxable employers) of the Employment Security Act.

The 2021 taxable wage base was computed, using employment and wage data for calendar 2019 as shown below:

TOTAL WAGES \$19,432,557,679

AVERAGE MONTHLY COVERED EMPLOYMENT 370,182

AVERAGE ANNUAL WAGE \$52,495

46.5% OF THE AVERAGE ANNUAL WAGE \$24,410

**If the result is not an even multiple of \$200, our law requires that the result be rounded up to the next higher multiple of \$200 – in this case \$24,600. The taxable wage base for employers at the highest tax rate will be set \$1,500 higher at \$26,100 for 2021.**

## TDI Contribution Rate (Section 28-40-1, b)

### TDI Contribution Rate - 1.3%

The TDI contribution formula sets the contribution rate at the cost of operating the TDI program and is **determined by dividing total disbursements paid from the fund for the 12-month period ending September 30<sup>th</sup> by the taxable wages received for the 12-month period ending June 30<sup>th</sup>.**

#### Basic Formula

$$\frac{\text{Total Disbursements for 12- month period ending Sept. 30}}{\text{Taxable Wages for 12- month period ending June 30}} \times 100$$

If the result is not an even multiple of one-tenth of a percent, the Basic Formula requires that the result be **rounded down to** the nearest multiple of one-tenth of a percent (0.1%).

The TDI Contribution Rate for 2021 was calculated as follows:

- TDI Fund Balance as of 9/30/20\$ 93,240,720
- Total Disbursements for 6- month period ending 9/30/20\$ 101,802,854
- Excess Disbursement (Item 2 - Item 1)\$ 8,562,134
- Total Disbursements for 12- month period ending 9/30/20\$ 210,512,796
- Total Adjusted Disbursements (Item 3 + Item 4)\$ 219,074,930
- Taxable Wages for 12- month period ending 6/30/20 \$ 17,409,384,122

If the TDI Fund Balance as of September 30th is less than the total disbursements for TDI (benefits and administrative costs) for the 6-month period ending September 30th, the basic formula needs to be adjusted to include the difference between the total disbursements for TDI (benefits and administrative costs) for the 6-month period ending September 30th and the September Fund Balance.

### Adjusted Formula

$$\frac{\text{Disbursements for 12 months ending Sept. 30} + (6 \text{ months disbursements} - \text{fund balance})}{\text{Taxable Wages for 12-month period ending June 30}} \times 100$$

The TDI Contribution Rate for 2021 was calculated as follows

The TDI contribution rate was obtained by dividing Total Adjusted Disbursements (Item 5) for the 12-month period ending September 30th by the Taxable Wages (Item 6) for the year ending June 30th as follows:

$$\text{Contribution Rate} = \frac{\text{Total Adjusted Disbursements}}{\text{Taxable Wages}} = \frac{\$ 219,074,930}{\$ 17,409,384,122} = .01258 * 100 = 1.258$$

The Adjusted Formula requires that the rate be expressed as a percentage, and if not an even multiple of one-tenth of a percent, the result is to be **rounded to the nearest multiple of one-tenth of a percent** (0.1%). The TDI Contribution Rate for 2021 will remain at 1.3 percent.

## **TDI Taxable Wage Base (Section 28-40-1, a)**

### **TDI Taxable Wage Base - \$74,000**

The TDI Taxable Wage Base is equal to the annual earnings needed by an individual to qualify for the maximum weekly benefit rate. It is determined by multiplying the maximum weekly benefit rate by the maximum duration (30) and then dividing by the percent of wages replaced (36%). If the amount is not an even multiple of \$100, it is rounded up to the next highest multiple of \$100.

The TDI taxable wage base for 2021 was calculated as follows:

$$\text{TDI Taxable Wage Base} = (\$887 \times 30) / .36 = \$73,917.$$

The result is rounded to the next higher multiple of \$100, yielding a TDI taxable wage base of \$74,000 for CY 2021.