



Rhode Island Department of Revenue

Division of Taxation

ADV 2022-09
Tax Administration

ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS
March 16, 2022

Tax filing and payment due date for 2020 PPP loan forgiveness is March 31, 2022

PROVIDENCE, R.I. –The Rhode Island Division of Taxation reminds taxpayers that the deadline for filing and paying taxes in relation to Paycheck Protection Program loans forgiven in 2020 is March 31, 2022.

The federal Paycheck Protection Program (PPP) was launched in early 2020 to provide loans, backed by the U.S. Small Business Administration, to help businesses and nonprofits keep their workforces employed during the coronavirus (COVID-19) pandemic. Some borrowers qualified for PPP loan forgiveness. Under RI law passed in July of 2021, if the amount of PPP loan forgiveness exceeds \$250,000, the increment above \$250,000 must be included in income for Rhode Island tax purposes.¹

Under Rhode Island law, interest and penalty on the taxable portion of the forgiven PPP loan for 2020 under the corporate income tax, the bank excise tax, and the personal income tax is waived so long as the tax is paid in full by the taxpayer on or before March 31, 2022. Failure to make payment of the tax due on or before March 31, 2022, will result in the assessment of interest and penalty.

Any filing received as of 3/7/2022, for which no payment has been made, will result in the Division sending a notice by postal mail as a reminder to make payment. Those filers should send their payment with the “bill coupon” included in the notice. All other 2020 filers may send payment with their return.

On November 1, 2021, the Division issued notices and forms to entities that were previously identified as having PPP loan forgiveness in 2020. If any of these entities does not file by March 31, 2022, the Division will attempt to contact these entities regarding the missing filings. If it is determined that a filing is required, the Division will request that a filing be completed. If a filing is not completed, the Division will then have to issue an assessment based upon the taxable portion of the 2020 PPP loan forgiveness.

2021 PPP Loan Forgiveness Reporting Requirements

Form RI-PPP will not be used for tax year 2021 returns. PPP loan forgiveness for 2021 will be included on your normal income tax filing and due on the entity’s normal filing

¹Legislation approved by the Rhode Island General Assembly and signed into law by Rhode Island Governor Daniel J. McKee on July 6, 2021, addressed the issue of PPP loan forgiveness as it relates to the Rhode Island corporate income tax, bank excise tax, and personal income tax; House Bill 6122, Substitute A, as amended:
<http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6122Aaa.pdf>.

due date. Exactly where on the 2021 return your incremental amount will be reported depends on the entity type.

Below are examples of where to locate this information:

Where to report 2021 incremental amount		
Entity Type	Form	Location
<ul style="list-style-type: none">• C corporation• LLC treated as a corporation for federal tax purposes	RI-1120C	Schedule C, line 1d
<ul style="list-style-type: none">• Subchapter S corporation• LLC treated as a subchapter S corporation for federal tax purposes	RI-1120S	Schedule C, line 1e
<ul style="list-style-type: none">• Partnership (including LLP and LP)• All LLCs other than those listed above	RI-1065	Schedule C, line 1e

The Division's website provides additional guidance about the Rhode Island tax treatment of PPP loan forgiveness amounts including answers to a number of Frequently Asked Questions (FAQs):

- The Division's Paycheck Protection Program Loan Forgiveness Information page: <https://tax.ri.gov/guidance/ppp-loan-forgiveness>
- PPP FAQs: <https://tax.ri.gov/media/17676/download>

The Rhode Island Division of Taxation, part of the Rhode Island Department of Revenue, is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <https://tax.ri.gov/about-us/contact-us>.
