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Inflation-adjusted amounts for tax year 2015

The Rhode Island Division of Taxation has set the standard deduction amounts, exemption amounts, tax bracket ranges, and other key figures for tax year 2015. "This information is important to know now for tax-planning purposes," said Rhode Island Tax Administrator David M. Sullivan. The figures will also provide help for taxpayers and practitioners throughout 2015 as they make any needed adjustments to withholding or estimated payments, or for other purposes, he said. Following is a summary.

Standard deduction, exemption amounts

For Rhode Island's personal income tax, the standard deduction and exemption amounts will increase for tax year 2015 as shown below.

Standard deduction amounts		
Filing status:	For 2014:	For 2015:
single	\$ 8,100	\$ 8,275
married filing jointly (or qualifying widow or widower)	16,250	16,550
head of household	12,200	12,400
married filing separately	8,100	8,275
Amounts are determined based on inflation figures calculated by U.S. Bureau of Labor Statistics and inserted in formulas established under Rhode Island General Laws § 44-30-2.6.		

Personal and dependency exemption amounts		
	For 2014:	For 2015:
	\$ 3,800	\$ 3,850

Personal income tax: phase-out range

Most taxpayers are able to claim the full amount of the standard deduction to which they are entitled. The same is true for personal exemptions and dependency exemptions.

However, if a taxpayer's federal adjusted gross income (as modified for Rhode Island tax purposes) falls within a certain income range, the standard deduction amount – and the personal and dependency exemption amounts – are limited.

If income exceeds the range, the taxpayer cannot claim a standard deduction or personal or dependency exemption amount. The income ranges are listed in the table below:

Phase-out range for standard deduction, exemption amounts		
	Tax year 2014:	Tax year 2015:
	\$189,700 to \$211,300	\$192,700 to \$214,700

Personal income tax: rate schedule

The Division of Taxation has recalculated tax bracket ranges for tax year 2015, as required by statute. The changes were made to the Rhode Island personal income tax's uniform tax rate schedule – which is used by all filers.

Rhode Island personal income tax: uniform tax rate schedule for 2014				
Taxable income:				
Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 59,600	\$ --	3.75%	\$ 0
59,600	135,500	2,235.00	4.75%	59,600
135,500	--	5,840.25	5.99%	135,500

Applies to tax year 2014

Rhode Island personal income tax: uniform tax rate schedule for 2015				
Taxable income:				
Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 60,550	\$ --	3.75%	\$ 0
60,550	137,650	2,270.63	4.75%	60,550
137,650	--	5,932.88	5.99%	137,650

Applies to tax year 2015

If the dollar figures in tax brackets remained constant, a taxpayer might be bumped into a higher bracket solely because of an annual wage increase that is intended to help the worker keep pace with inflation -- an outcome often referred to as bracket creep.

To help offset the effects of bracket creep, the General Assembly adopted a provision that requires the tax brackets to be adjusted annually with inflation. Standard deduction and exemption amounts are adjusted in similar fashion.

Trusts and estates: income tax rate schedule

The Division of Taxation has posted the income tax rate schedule for 2015 that will be used by fiduciaries for many trusts and estates. It is as follows:

Trusts and estates: income tax rate schedule for 2015				
Taxable income:				
Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 2,450	\$ --	3.75%	\$ 0
2,450	7,700	91.88	4.75%	2,450
7,700	--	341.25	5.99%	7,700

Table is for non-grantor trusts and non-bankruptcy estates. To calculate income tax for grantor trusts and bankruptcy estates, use personal income tax table.

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