



# Rhode Island Department of Revenue

## Division of Taxation

ADV 2018-07  
TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS  
JANUARY 29, 2018

### Filing season opens in Rhode Island

*Division of Taxation starts processing e-filed and paper returns for TY 2017*

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today officially begins accepting and processing electronically filed Rhode Island resident and nonresident personal income tax returns for the 2017 tax year.

The agency today also officially begins accepting and processing paper returns, but urges tax preparers and taxpayers to e-file. E-filing is faster, results in fewer errors, and provides the filer with an electronic filing acknowledgement.

In addition, e-filing is the only method available to have personal income tax refund deposited directly into a bank or credit union account. (Direct deposit is not available for paper returns.)

The Division of Taxation will accept the following returns electronically this season:

Rhode Island Division of Taxation electronic filing	
<i>The Division of Taxation will accept the following returns electronically this season:</i>	
Form RI-1040	Resident personal income tax return
Form RI-1040NR	Nonresident personal income tax return
Form RI-1120C	Business corporation tax return – C corporations
Form RI-1120S	Business corporation tax return – S corporations
Form RI-1065	For partnerships, LLPs, LPs, LLCs, single-member LLCs
Preparers should check with their tax-preparation software provider to see if their programs are updated and ready for e-file.	

### CHANGES FOR FILING SEASON

As preparers and taxpayers start their filing season, they will encounter a number of changes, including the following:

- A tax break for income from 401(k) plans, pensions, annuities, and some other sources.
- An increase in the earned income credit.
- An increase in the statewide property-tax relief credit (Form RI-1040H).
- A filing deadline of April 17, 2018.

The Division expects to receive and process more than 650,000 resident and nonresident personal income tax returns this year.

## BUSINESS FILERS

Also today, the Division of Taxation officially begins accepting and processing electronically filed business returns on Form RI-1065, Form RI-1120C, and Form RI1120S.

In addition, the Division today officially begins accepting paper filed business returns. The Division reminds business filers of the change in original and extended due dates which first applied last season. For example, calendar-year C corporations that formerly filed in March now file in April. Calendar-year partnerships that formerly filed in April now file in March.

## FIGHTING TAX FRAUD

The Internal Revenue Service, state tax agencies, and the tax professional industry have joined forces to form the Security Summit, working in partnership to combat tax refund fraud, fraudulent tax returns, and identity theft-related fraud.



Due to security concerns, not everything the partners do is visible to the public or to cybercriminals. For example, the Summit partners continue to implement information sharing in the Identity Theft Tax Refund Fraud Information Sharing and Analysis Center (ISAC), where emerging identity theft schemes and alerts are shared within the partnership.

The Summit partners also are putting an increased emphasis on identity theft protections for business returns in the Form 1120 and 1041 series. The IRS will be asking tax professionals to gather more information on their business clients. The data being collected assists the IRS in authenticating that the tax return being submitted is actually a legitimate return filing and not an identity theft return.

Enhanced security measures, in place to protect taxpayers' personal information and to combat fraud, have increased the time it takes many states, including Rhode Island, to process and issue refunds.

The Rhode Island Division of Taxation asks your patience as Rhode Island and many other states implement enhanced efforts to safeguard taxpayer dollars, combat tax refund fraud, and protect your personal information.

The Division this filing season will take the time necessary to review and verify the information on all tax returns to make sure that the right refund goes to the right person.

Tax preparers and taxpayers can help in the fight against fraud by filing electronically and using direct deposit, which is the most secure

### Some federal refunds delayed

The IRS, by law, cannot issue federal refunds before mid-February for returns that claim the earned income credit or the additional child tax credit.

In fact, the IRS expects the earliest such refunds will be available in taxpayer bank accounts or on debit cards is February 27, 2018, if they chose direct deposit and there are no other issues with the tax return.

The delay gives the IRS additional time to help prevent revenue lost due to identity theft and refund fraud related to fabricated wages and withholdings.

and effective way to receive a refund. Last year, the Division issued more than 480,000 refunds totaling \$303.4 million in the aggregate – an average of \$631 per refund.

Rhode Island Division of Taxation refunds			
The Division of Taxation issued more refunds last year than in the previous year*			
	2016	2017	
Number of refunds	456,894	480,510	+5.2%
Total refund amount \$	\$ 279,879,238	\$ 303,402,070	+8.4%
Average refund \$	\$ 613	\$ 631	+2.9%

\* Total refunds (including interest and after offsets) for all tax years that were issued in calendar year 2016 (through December 26, 2016) and calendar year 2017 (through December 26, 2017). Some numbers are rounded.

### FILING TIPS FOR ALL RETURNS

The Division urges taxpayers to gather and organize their financial records for 2017 to assist in the preparation of complete and accurate returns. Those claiming certain tax credits should be prepared to provide supporting documentation:

- Because the earned income credit is intended for those who have earned income (and who meet certain other requirements), those claiming the credit need to have *bona fide* documentation showing the source(s) of their earned income, such as Form W-2 wage statements.
- Because the statewide property-tax relief credit (Form RI-1040H) is generally intended for those who own or rent local property (and who meet certain other requirements), those claiming the credit need to have *bona fide* documentation showing that they paid local property tax, or paid rent to a landlord that paid local property tax.
- According to the Tax Preparers Act of 2013, preparers must exercise due diligence when preparing Rhode Island personal income tax returns involving the earned income credit and property-tax relief credit.<sup>1</sup>
- To facilitate accurate processing of the return (and any related refund), be consistent from year to year with the names on the return. For example, if the taxpayer’s first name is Michael, don’t use “Michael” one year on the return, and “Mike” on the next year’s return – use “Michael” both years.

The Division of Taxation urges taxpayers and preparers to make sure that a Rhode Island personal income tax return includes a properly and accurately completed Schedule W – if the taxpayer had Rhode Island personal income tax withheld last year from a paycheck, a pension, or other such source of income.

The Division also urges filers to remember to include their Social Security number (or ITIN). If a filer is married, the filer should include the Social Security number (or ITIN) of the spouse, too.

<sup>1</sup> The Act is codified at Rhode Island General Laws § 44-68-1 et seq., and describes duties, responsibilities, and penalties that apply to preparers.

When making a payment, taxpayers should be sure to include a payment voucher. For those using tax software, vouchers can be printed out along with a copy of the return. Vouchers are also on the Division website: [http://www.tax.ri.gov/forms/2017/Income/RI-1040V\\_m.pdf](http://www.tax.ri.gov/forms/2017/Income/RI-1040V_m.pdf)

### FILING TIPS FOR PAPER RETURNS

For those who file paper returns, the Division urges the use of tax preparation software so that the resulting return can be filed with a two-dimensional barcode. Paper returns with 2-D barcodes typically process more effectively and efficiently and result in fewer errors.

For those without tax preparation software, forms for the new filing season, covering tax year 2017, are now available on the Division’s website: <http://www.tax.ri.gov/taxforms/personal.php>. Among the forms now available for download is Form RI-1040H, involving the statewide property-tax relief credit.

Following are some tips for paper filers:

- Avoid using staples when preparing paper returns for mailing because staples delay processing. Instead of using staples or sticky tape to bind tax return documents together prior to mailing, use binder clips, paper clips, or rubber bands – all of which can be quickly removed by Division staff during the processing of the return.
- Sign and date your return.
- Include with your return any Form W-2 wage statements.
- If you had any Rhode Island income tax withheld last year (from a job, a pension, or other source of income), don’t forget to accurately complete your return’s Schedule W and include it in your mailing.
- Include all pages of the return.
- Use a standard-size envelope.
- Keep folding of the return to a minimum, to ease in processing.
- Include with the return only the required documents as shown in the instructions. (For example, do not include birth certificates.)
- Check the correct box for your “filing status.” New for this season, the Division has added arrows to help guide your selection. For example, if your filing status is “married filing jointly”, the arrow guides you to the box you should check for the “married filing jointly” status (see snapshot below).

<b>ELECTORAL CONTRIBUTION</b>	If you want \$5.00 (\$10.00 if a joint return) to go to this fund, check here. (See instructions. This will not increase your tax or reduce your refund.)		<input type="checkbox"/>	Yes	If you wish the 1st \$2.00 (\$4.00 if a joint return) be paid to a specific party, check this box and fill in the name of the political party. Otherwise, it will be paid to a nonpartisan general account.		<input type="checkbox"/>
<b>FILING STATUS</b> Check one	Single $\Rightarrow$ <input type="checkbox"/>	Married filing jointly $\Rightarrow$ <input checked="" type="checkbox"/>	Married filing separately $\Rightarrow$ <input type="checkbox"/>	Head of household $\Rightarrow$ <input type="checkbox"/>	Qualifying widow(er) $\Rightarrow$ <input type="checkbox"/>		
<b>INCOME, TAX AND</b>	1 Federal AGI from Federal Form 1040, line 37; 1040A, line 21 or 1040EZ, line 4.....		1				

## CONTACTING THE DIVISION OF TAXATION

There are a number of convenient ways to directly reach the Division regarding your Rhode Island personal income tax return or refund. Email the Division using the following address:

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

You may also call the Division at (401) 574-8829 (choose option # 3), or visit the Division's office on the first floor of the Powers Building, at One Capitol Hill, diagonally across from the Smith Street entrance of the State House.

The Division is typically open to the public from 8:30 a.m. to 3:30 p.m. business days. However, keep in mind that the number of visits and phone calls increases during filing season. For a complete listing of contact information for the Division of Taxation, use the "Contact Us" section of the website: <http://www.tax.ri.gov/contact/>.

### Where's my refund?

Beginning in early February, the Rhode Island Division of Taxation will regularly update its online "Where's My Refund?" tool:

<https://www.ri.gov/taxation/refund/>

The tool is a handy way to find out the status of your Rhode Island personal income tax refund.

## FORMS AND INSTRUCTIONS

A number of Rhode Island tax forms, instructions, and related schedules and other materials are now available online at the Division of Taxation website: <http://www.tax.ri.gov/taxforms/>. To order forms by mail, call (401) 574-8970, or email: [tax.forms@tax.ri.gov](mailto:tax.forms@tax.ri.gov).

## FINDING A TAX PREPARER

Although the Rhode Island Division of Taxation does not prepare tax returns for 2017 on a walk-in basis, many certified public accountants, enrolled agents, public accountants, and other preparers are available throughout the state.

The Internal Revenue Service website includes information on choosing a tax professional, as well as a public directory of certain tax professionals to help taxpayers determine return preparer credentials and qualifications. The directory is a searchable, sortable database with the name, city, state, and ZIP code of credentialed return preparers: <http://go.usa.gov/cQ7WT>.



## FREE TAX ASSISTANCE

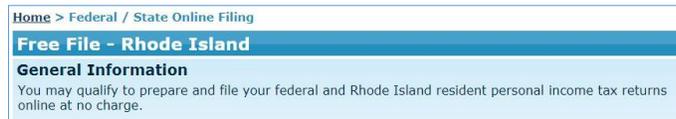
Many locations in Rhode Island will prepare personal income tax returns -- and property-tax relief claims on Form RI-1040H -- all at no charge for eligible taxpayers. To find a volunteer tax preparation site near you -- including its location, hours, and dates of operation:

- Call the United Way of Rhode Island's helpline at 211.
- Call the VITA program toll-free at 1-800-906-9887.
- Call the AARP Tax-Aide program toll-free at 1-888-227-7669.

For more information, see the IRS website, which includes links for finding nearby volunteer tax preparation sites: <http://go.usa.gov/cQ7Zw>. (For federal income tax information or assistance directly from the IRS, see [www.irs.gov](http://www.irs.gov), or call 1-800-829-1040.)

## FREE FILE

You may qualify to prepare and file your federal and Rhode Island resident personal income tax returns online at no charge. The free service is made possible from Free File, which is a partnership between the Internal Revenue Service, the Rhode Island Division of Taxation, a number of other states, and the Free File Alliance.



The Free File Alliance is a group of industry-leading private-sector tax preparation companies that have agreed to provide free commercial online tax preparation and electronic filing.

The Division of Taxation website includes a listing of Free File offerings at the following address: <http://www.tax.ri.gov/misc/efile.php>.

The offerings include links to the Free File partners' websites. Please read the information on those web sites carefully before you begin the filing process. (If you do not meet the qualifications for Free File, you may be charged a fee for filing your taxes electronically.)

## FILING DEADLINE: TUESDAY, APRIL 17, 2018

The normal April 15 filing deadline will fall on a Sunday this year. On April 16, Emancipation Day will be observed by Washington, D.C., and by the IRS.

Thus, the federal filing deadline this year will be Tuesday, April 17, 2018, and Rhode Island will follow suit: All resident and nonresident Rhode Island personal income tax returns and related payments for tax year 2017 must be e-filed or postmarked on or before 11:59 p.m. on April 17, 2018. (Six-month extensions are allowed, but they are extensions of the time to file, not of the time to pay.)

Sunday	Monday	Tuesday
April 15, 2018 Closed	April 16, 2018 Emancipation Day observed	April 17, 2018 <b>Filing deadline</b>

## FORMS 1099-G, 1099-INT

The Division of Taxation recently began mailing Forms 1099-G and 1099-INT to taxpayers. Neither form is a bill; each is for information purposes. In general, Form 1099-G shows the amount of Rhode Island personal income tax refund certain taxpayers received; Form 1099-INT reports interest a taxpayer earned on a Rhode Island income tax refund. The forms are typically used to help prepare one's tax returns.

## FORMS 1040ES

The Division of Taxation will soon begin mailing approximately 40,000 copies of Form RI-1040ES for the 2018 tax year. Taxpayers use the coupons on the form to make quarterly estimated payments of Rhode Island personal income tax. The first such payment is due on or before April 17, 2018. A blank copy of Form RI-1040ES is available on the Division of Taxation's website: [http://www.tax.ri.gov/forms/2018/Income/2018%20RI-1040ES\\_web\\_b.pdf](http://www.tax.ri.gov/forms/2018/Income/2018%20RI-1040ES_web_b.pdf).

THE RI STATE TAX AMNESTY PROGRAM  
FOR INDIVIDUALS AND BUSINESSES  
DEC. 1, 2017 – FEB. 15, 2018



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

[LEARN MORE](#)

The Rhode Island Division of Taxation office is at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance of the State House, and is open to the public 8:30 a.m. to 3:30 p.m. business days. To learn more, see the agency's website: [www.tax.ri.gov](http://www.tax.ri.gov), or call (401) 574-8829.