

FAQ's for Form RI 1120-POL for Certain Political Organizations

How to Get Forms and Publications

Form RI-1120POL is available at the Rhode Island Department of Revenue, Division of Taxation's website at <http://www.tax.ri.gov>. Taxpayers may also find RI-1120POL extension forms in the same location.

How to File

Taxpayers must file a paper copy of Form RI-1120POL. Electronic filing is not supported.

How to Amend

A political organization may amend a tax return by filing Form RI-1120POL for that year and marking the Amended check box in the top left corner of the form.

How to Pay Tax Liability

All payments shall be mailed to:
Rhode Island Division of Taxation
One Capitol Hill
Providence, RI 02908-5814

Payments shall be made in the form of a check or money order.

Who Must File

Taxpaying entities which qualify as a Political Organization under 26 U.S.C. §527 and file Federal Form 1120-POL shall file Form RI-1120POL. Political organizations which previously filed Form RI-1120C shall now be required to file Form RI-1120POL if they continue to qualify as a Political Organization under 26 U.S.C. §527 for tax periods ending after 06/25/10.

Zero Tax Liability

Those political organizations that have a federal taxable income of \$100 or less are not required to file Form RI-1120POL.

What is Taxable Income

A political organization shall be subject to taxation on revenues (income earned by investments) only to the extent provided in 26 U.S.C. §527.

Examples include, but are not limited to, interest earned on deposits, dividends from stock, rents or royalties, or gains from the sale of property. Expenses directly related to this taxable income in earning this income are deductible.

Form RI-1120POL allows for a one-hundred dollar (\$100) exemption over and above the one-hundred dollar (\$100) exemption allowed on Federal Form 1120-POL.

What income is not taxable?

Income received from political activities is not taxable. Also, political activity expenses are not deductible.

Examples of nontaxable income include contributions of money or other property, dues or fees from members of a political organization, money from political fund raising or entertainment, or money from the sale of political campaign materials. However, these receipts must be separated for use only in the organization's exempt function.

Who Must Sign

The return must be signed and dated by one of the following:

- The chairman, vice chairman, treasurer, assistant treasurer, chief accounting officer, or
- Any other authorized officer including the political candidate.

When and Where to File

For calendar year taxpayers, Form RI-1120POL shall be filed with the Division of Taxation on or before March 15th of each year. For example, a 2010 calendar year return is due by March 15, 2011. For fiscal year taxpayers, the return shall be filed on or before the 15th day of the 3rd month following the close of the fiscal year. A six-month extension to file may be requested by filing a RI 1120POL Extension form with any payment due.

A copy of Federal Form 1120-POL should accompany this return.

Interest and Penalties

Interest will be due with any return filed late in accordance with section 44-1-7 (18% per annum as of October 2010). A late filing penalty of 5% per month up to a maximum of 25% and a late payment penalty of 0.5% per month up to a maximum of 25% is also imposed by law.