



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

June 12, 2012

ADV 2012-13

Advisory:

Tax Division assists East Providence

The Rhode Island Division of Taxation arranged for a special computer run over the weekend as part of an effort to aid the City of East Providence.

Legislation approved by the General Assembly and signed into law by Governor Lincoln D. Chafee in June 2011 authorized the Tax Division to help collect debts owed to other government agencies and entities in the state, including cities and towns. [The law](#) allows the Tax Division to use its [refund offset authority](#).

One of the first municipalities to sign up for the Tax Division service was East Providence. As part of the agreement, the city provides a list of its municipal tax delinquents. If the Tax Division's computers find that a municipal tax delinquent is due a state tax refund, the Tax Division withholds at least a portion of the refund and provides it to the city to help cover the delinquency. "We stand ready to offer this service to all of our cities and towns, and to other local and state agencies, especially during these challenging fiscal times," said Tax Administrator David M. Sullivan.

So far this year, the Tax Division has completed \$6.5 million in personal income tax refund offsets. The following table shows the largest categories of offsets:

Category	Total amount offset	Number offset	Average offset
Rhode Island back taxes	\$ 2,135,638	7,623	\$ 280
Dept. of Labor and Training	\$ 1,734,717	3,512	\$ 494
Child support	\$ 625,377	1,856	\$ 337
Internal Revenue Service	\$ 462,589	1,278	\$ 362
Court costs	\$ 433,161	2,003	\$ 216

Personal income tax refund offsets for tax year 2011 through May 30, 2012. Offsets involving Rhode Island Department of Labor and Training are to help recover overpayments of unemployment and Temporary Disability Insurance benefits.

Estimated payments due

Don't forget that quarterly estimated payments for Rhode Island personal income tax are due this Friday. The deadline is midnight on June 15.

June 15 is also the deadline for the second installment of estimated tax for calendar-year payers of corporate tax, franchise tax, bank excise tax, political organization tax, composite income tax, and pass-through withholding, said Peter McVay, associate director of revenue services.

In addition, June 15 is the deadline for the second installment of estimated tax for payers of the bank deposits tax, insurance gross premiums tax (admitted carriers), and public service corporation tax.

Sales tax permits

Bear in mind that June 30 is the last day for tax delinquents to pay what they owe so that they can renew their annual sales tax permit.

Most retailers are current on their taxes and receive the annual sales tax permit, ready for posting July 1. But a small number of retailers will not receive their permits; a “block” has been placed on their accounts, preventing renewal of their sales tax permits because they are delinquent on certain state taxes -- sales, meals and beverage, hotel and/or withholding tax -- and have not made arrangements to pay.

If you're delinquent on taxes and your account has been blocked, contact your revenue officer at the Tax Division's Compliance & Collections section: (401) 574-8941 from 8:30 a.m. to 4 p.m. business days.

Fiduciary returns

The Tax Division last month began processing fiduciary income tax returns and is making measurable progress toward completing the task. During the filing season, processing of personal income tax returns took precedence, but as soon as the bulk of the personal income tax returns were processed, the agency quickly turned its attention to fiduciary returns – returns filed on Form RI-1041. The processing of fiduciary returns should be completed soon.

Combined reporting: one-month extension

The Tax Division has posted on its website a form related to *pro forma* combined reporting: [Form RI-7004-CRS](#). Corporations that are subject to *pro forma* combined reporting rules may use the form to request an additional one-month filing extension.

(To file the new Form RI-7004-CRS, you must have previously filed for the standard six-month extension on Form RI-7004. Filing the new form means you will have an overall seven-month extension.)

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