



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

March 07, 2013

ADV 2013-04

Advisory:

Filing season update

This update includes information about the following:

- All forms now accepted for filing
- Online map to find free tax preparation sites
- Latest figures for electronic filing of returns
- Latest figures for personal income tax refunds
- Corporate extensions and the e-file mandate
- Filing season reminders

All forms now accepted

The Internal Revenue Service over the weekend finished reprogramming and testing of its computer systems, clearing the way for the filing of federal income tax returns – individual and business – that may have been delayed earlier in the filing season.

It also cleared the way for the filing of Rhode Island income tax returns that may have been delayed. The reason has to do with a longstanding federal-state partnership. Under that arrangement, electronically filed Rhode Island personal income tax returns are transmitted to the IRS, then downloaded by the Rhode Island Division of Taxation.

When the IRS system closed for part of January so that the IRS could update its computers to reflect last-minute changes in federal tax law, the IRS could not accept e-filed returns – and the Rhode Island Division of Taxation generally couldn't, either.

That situation was resolved by late January. However, because some other federal returns couldn't be filed until early March (because certain forms were still being updated and tested), some Rhode Island returns still could not be filed, either.

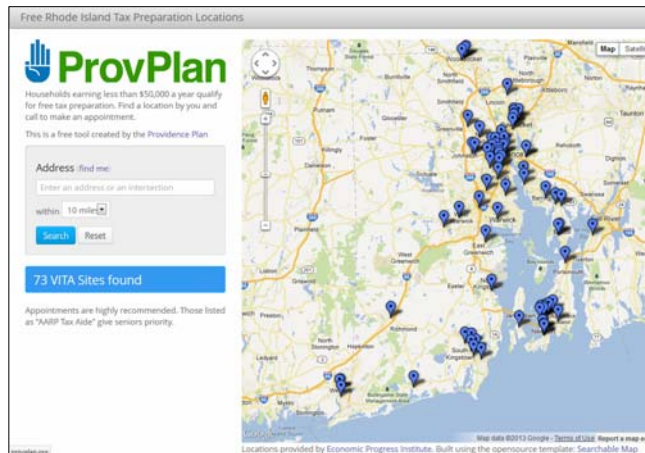
Now, however, it's open season: the IRS and the Rhode Island Division of Taxation are accepting, without restriction, individual and business returns.

Online map shows free tax sites

If your income last year was \$51,000 or less, and you're looking for someone to do your tax returns at no charge, check out the [interactive map created by The Providence Plan](#).

The free online map shows more than 70 sites throughout the state that are run by trained volunteers and that generally provide free preparation and filing of federal and state income tax returns and the Rhode Island property-tax relief claim (Form RI-1040H).

And if you type in your address, the online tool will narrow your search, showing you just the sites that are within either 10 miles or 20 miles of your location. You can then click on each link for additional information -- including a phone number to call to make an appointment.



- The Providence Plan is a nonprofit that works to provide Rhode Islanders with data and information to support critical decision making. A screenshot of its online tax tool is shown above.

E-filing proves popular

The overwhelming majority of taxpayers are choosing to file their Rhode Island personal income tax returns electronically instead of on paper.

For the tax-filing season thus far, about 96 percent of taxpayers have e-filed, up from 91 percent at approximately the same point a year ago. "It's early in the season, and nearly all returns filed at this time of year are e-filed," said Rhode Island Tax Administrator David M. Sullivan. "Still, the early results show that e-filing continues to be popular. The more taxpayers learn about e-filing, the more they like it," Sullivan said.

	Filing season 2012	Filing season 2013	Difference
E-filed returns	207,090	212,263	+ 2.5%
Paper returns	15,440	6,034	- 60.9%
2-D barcode returns	4,362	2,591	- 40.6%
Total returns:	226,892	220,888	- 2.6%

Cumulative figures for tax year 2011 returns filed through February 29, 2012, and tax year 2012 returns filed through March 6, 2013.

E-filing saves taxpayers money: processing an e-filed return costs far less than processing a paper return, he said.

In addition, e-filing results in fewer errors, faster processing, and swifter issuing of refunds, said Peter McVay, associate director of revenue services.

Furthermore, only e-filers have the option to have their refunds deposited directly into their bank or credit union accounts. The direct deposit option is not available to paper filers, said Susan M. Galvin, chief of Tax Processing Services.

Average refund rises 3.8 percent

The average personal income tax refund amount is up 3.8 percent, to \$541 so far this filing season, compared with \$521 at the same point a year ago, early filing season figures show.

The figures also show that the total number of refunds so far is down 11 percent compared with the corresponding period a year ago. The reason is that the federal and state filing seasons got off to a late start this year. That's because of the last-minute changes to tax law made by President Barack H. Obama and Congress, which required computer systems to be reprogrammed and tested.

"The number of refunds issued, and the aggregate amount of refunds issued, are down so far because of the delay to the start of the filing season," Sullivan said. "The delay was a consequence of the lengthy 'fiscal cliff' debate and the compromise federal tax law that was enacted in January, which also impacted Rhode Island." The last-minute changes to the law required extensive computer reprogramming. The start of the full federal filing season was therefore delayed, which caused temporary hold-ups for many states. "Nobody is surprised by the delay, which was well-publicized. But now that all systems are go, we fully expect to see our number of refunds – and our aggregate dollar amount of refunds issued – to increase smartly in the weeks ahead," Sullivan said.

	Filing season 2012	Filing season 2013	Difference
Number of refunds	186,955	166,153	- 11.13%
Total amount refunded	\$97,421,657	\$89,808,037	- 7.82%
Average refund	\$521	\$541	+ 3.84%

Cumulative figures for tax year 2011 through March 2, 2012, and for tax year 2012 through March 1, 2013. Figures for each filing season are before interest and offset and do not include returns for tax years other than those stated.

Corporate extensions: exempt from e-file mandate

The Division of Taxation on January 1, 2013, began enforcing Rhode Island's corporate tax e-file mandate. The mandate applies to paid preparers. It requires that returns on Form RI-1120C, RI-1120S, and Form RI-1065 be e-filed.

However, Rhode Island's corporate e-file mandate does not apply to extension requests. Normally, requests for an automatic six-month filing extension are made on Form RI-7004. But the Division of Taxation does not accept e-filed extensions. As a result, Form RI-7004 must be filed on paper. "We don't accept the 7004 electronically," Galvin said.

Similarly, the corporate e-file mandate does not apply for purposes of seeking an automatic one-month extension, on Form RI-7004-CRS, for corporate returns involving *pro forma* combined reporting.

- Don't forget that you can make an extension payment online. If you do, you won't need to send in an extension form - either the RI-7004 or the RI-7004-CRS. Here's the address: <https://www.ri.gov/taxation/business/index.php>

Reminders

FreeFile: The Tax Division's website now includes links to [five online tax-preparation programs](#) that allow eligible taxpayers to prepare and file their federal and Rhode Island personal income tax returns at no charge. Taxpayers must first meet the eligibility requirements, then read each program's terms and conditions carefully. The links are available at: <http://www.tax.ri.gov/misc/efile.php>.

Form RI-8453: The Tax Division has discontinued Form RI-8453, "R.I. Individual Income Tax Declaration for Electronic Filing." Form RI-8453 formerly was associated with an e-filed return; the form was used by a taxpayer to formally give consent for the direct deposit of a refund or the electronic payment of tax. The form was not submitted to the Tax Division; a copy was kept by the taxpayer (and his or her preparer). Effective for the current filing season, the form has been retired. The Rhode Island Division of Taxation will recognize the federal [Form 8879](#), "IRS e-file Signature Authorization," or its equivalent, as a substitute.

Updates: Keep up with the latest Tax Division developments by viewing our [Facebook](#) page or our [blog](#). You may also follow us on [Twitter](#). In addition, you may receive our e-mails automatically in your inbox by subscribing to our listserv -- just send an [e-mail](#) and include the word SUBSCRIBE in capital letters in the subject block.

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