

1 **ARTICLE 38**

2 RELATING TO PERSONAL INCOME TAX

3 SECTION 1. Chapter 44-30 entitled "Personal Income Tax" is hereby amended by  
4 adding the following:

5 **44-30-100. For tax years beginning after December 31, 2010 the provisions of**  
6 **Chapter 30 of this Title shall no longer apply.--**

7 **44-30.4-1. For tax years beginning after December 31, 2010 the provisions of**  
8 **Chapter 30 of this Title shall no longer apply.--**

9 **44-30.4-2. Persons subject to tax. -- (a) Imposition of tax. A Rhode Island personal**  
10 **income tax determined in accordance with the rates set forth in § 44-30.4-5 is imposed for each**  
11 **taxable year (which shall be the same as the taxable year for federal income tax purposes) on the**  
12 **Rhode Island income of every individual, estate, and trust.**

13 **(b) Partners and partnerships. A partnership as such shall not be subject to the Rhode**  
14 **Island personal income tax. Persons carrying on business as partners shall be liable for the Rhode**  
15 **Island personal income tax only in their separate or individual capacities.**

16 **(c) Associations taxable as corporations. An association, trust, or other unincorporated**  
17 **organization, which is taxable as a corporation under the provisions of chapter 11 of this title,**  
18 **shall not be subject to the Rhode Island personal income tax.**

19 **(d) Exempt trusts and organizations. A trust or other unincorporated organization, which**  
20 **by reason of its purposes or activities is exempt from federal income tax, shall be exempt from**  
21 **the Rhode Island personal income tax, except with respect to its unrelated business taxable**  
22 **income.**

23 **(e) Cross references. For definitions of Rhode Island income of:**

24 **(1) Resident individuals, see § 44-30.4-12.**

25 **(2) Resident estate or trust, see § 44-30.4-14.**

26 **(3) Nonresident individual, see § 44-30.4-18.**

27 **(4) Nonresident estate or trust, see § 44-30.4-21.**

28 **44-30.4-3. Annual Rhode Island personal income and tax data report. -- No later than**  
29 **March 15, the division of taxation shall annually submit a report for the previous calendar year of**  
30 **Rhode Island individual income and tax data by size of adjusted gross income to the chairpersons**

1 of the house finance committee and senate finance committee, and the house fiscal advisor and  
2 the senate fiscal advisor. The report should be as similar as practical to the individual and income  
3 tax data for Rhode Island federal taxpayers issued by the Statistics of Income Division of the  
4 Internal Revenue Service.

5 **44-30.4-4. Refund deduction for contribution.--** (a) Refund deduction for contribution  
6 to U.S. Olympic Committee. – There shall be provided as a deduction from any refund from the  
7 Rhode Island personal income tax otherwise due to a taxpayer for a taxable year, contributions of  
8 one dollar (\$1.00), or two dollars (\$2.00) if married and filing a joint return, to the U.S. Olympic  
9 Committee. The provision for the contribution shall appear on the state personal income tax  
10 return. The tax administrator shall annually forward by August 1, all contributions made to the  
11 U.S. Olympic Committee to the state general treasurer and the treasurer shall annually deposit by  
12 September these contributions to the U.S. Olympic Committee; provided, the general treasurer  
13 may deduct the costs of the administrative expenses in conjunction with these contributions.

14 (b) Refund deduction for contribution to the non-game wildlife general revenue  
15 appropriations. – (1) There shall be provided as a deduction from any refund from the Rhode  
16 Island personal income tax otherwise due to a taxpayer for a taxable year a contribution to the  
17 non-game wildlife general revenue appropriations established in chapter 18.1 of title 20. The  
18 provision for the contribution shall appear on the state personal income tax return as follows:

19 Rhode Island non-game wildlife. Check if you wish to contribute  \$1,  \$5,  \$10, or   
20 \$ (write in amount of your tax REFUND for this program).

21 (2) The tax administrator shall deposit all contributions made to the non-game wildlife as  
22 general revenues. State appropriations for non-game wildlife shall be made pursuant to § 20-18.1-  
23 3.

24 (c) Refund deduction for contribution to the childhood disease victims' fund. – (1) There  
25 shall be provided as a deduction from any refund from the Rhode Island personal income tax  
26 otherwise due to a taxpayer for a taxable year a contribution to the childhood disease victims'  
27 fund established in chapter 14 of title 23. The provision for the contribution shall appear on the  
28 state personal income tax return as follows:

29 Childhood disease victims' fund. Check if you wish to contribute  \$1,  \$5,  \$10, or   
30 \$ (write in amount of your tax REFUND for this program).

31 (2) The tax administrator shall annually forward by August 1, all contributions made to  
32 the childhood disease victims' fund to the general treasurer to be deposited in the fund created in  
33 § 23-14-3. The general treasurer shall annually distribute the proceeds of the said fund as  
34 prescribed in chapter 14 of title 23.

1           (3) The provisions of this section shall commence for returns filed for the tax year ending  
2 December 31, 1989.

3           (d) Refund deduction for contribution to the drug program account. – (1) There shall be  
4 provided as a deduction from any refund from the Rhode Island personal income tax otherwise  
5 due to a taxpayer for a taxable year a contribution to the drug program established in chapter 7 of  
6 title 42. The provision for the contribution shall appear before all other requests for contributions  
7 on the state personal income tax return as follows:

8           Drug program. Check if you wish to contribute  \$1,  \$5,  \$10, or  \$ (write in the  
9 amount of your tax REFUND for this program).

10           (2) The tax administrator shall annually forward by August 1, all contributions made to  
11 the drug program account to the general treasurer to be deposited as general revenues.

12           (3) The provisions of this section shall commence for returns filed for the tax year ending  
13 December 31, 1990.

14           (e) Refund deduction for contribution to the Rhode Island organ transplant fund. – (1)  
15 There shall be provided as a deduction from any refund from the Rhode Island personal income  
16 tax otherwise due to a taxpayer for a taxable year a contribution to the Rhode Island organ  
17 transplant fund. The provision for the contribution shall appear on the state personal income tax  
18 return as follows:

19           Rhode Island Organ Transplant Fund. Check if you wish to contribute  \$1,  \$5,  \$10,  
20 or  \$ (write in amount of your tax REFUND for this program).

21           (2) The tax administrator shall forward all contributions made to the Rhode Island organ  
22 transplant fund to the general treasurer who shall deposit them, minus administrative expenses,  
23 into the fund.

24           (f) Refund deduction for contribution to the Rhode Island Military Family Relief Fund. –  
25 (1) There shall be provided as a tax deduction from any refund from the Rhode Island personal  
26 income tax otherwise due to a taxpayer for a taxable year a contribution to the Rhode Island  
27 Military Family Relief Fund. The provision for the contribution shall appear on the state personal  
28 income tax return as follows:

29           Rhode Island Military Family Relief Fund. Check as you wish to contribute  \$1,  \$5,  
30  \$10, or  \$ (write in amount of your tax refund for this program).

31           (2) The tax administrator shall forward all contributions made to the Rhode Island  
32 Military Family Relief Fund to the general treasurer who shall deposit them into the Rhode Island  
33 Military Family Relief Fund created under § 30 -3-41.

34           **44-30.4-5. Rhode Island taxable income – Rate of tax. -- (a) “Rhode Island taxable**

1 income” means federal adjusted gross income as determined under the Internal Revenue Code, 26  
 2 U.S.C. § 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-30.4-12 less the  
 3 amount of Rhode Island Basic Standard Deduction allowed pursuant to § 44-30.4-5(a)(3), and  
 4 less the amount of personal exemption allowed pursuant of Section § 44-30.4-5(a)(4).

5 (1) Tax imposed. There is hereby imposed on the taxable income of married individuals  
 6 filing joint returns and surviving spouses, every head of household, unmarried individuals (other  
 7 than surviving spouses and heads of households), married individuals filing separate returns and  
 8 bankruptcy estates a tax determined in accordance with the following table:

<u>RI Taxable Income</u>		<u>RI Income Tax</u>		
<u>Over</u>	<u>But not over:</u>	<u>Pay</u>	<u>+ % on excess</u>	<u>Amount over:</u>
<u>\$0</u>	<u>\$ 55,000</u>	<u>\$0</u>	<u>+ 3.5%</u>	<u>\$ 0</u>
<u>\$55,000</u>	<u>\$110,000</u>	<u>\$1,925</u>	<u>+ 4.0%</u>	<u>\$55,000</u>
<u>\$110,000</u>	<u>\$175,000</u>	<u>\$4,125</u>	<u>+ 4.5%</u>	<u>\$110,000</u>
<u>\$175,000</u>		<u>\$7,050</u>	<u>+ 5.5%</u>	<u>\$175,000</u>

15 (2) There is hereby imposed a taxable income of an estate or trust a tax determined in  
 16 accordance with the following table:

<u>RI Taxable Income</u>		<u>RI Income Tax</u>		
<u>Over</u>	<u>But not over:</u>	<u>Pay</u>	<u>+ % on excess</u>	<u>Amount over:</u>
<u>\$0</u>	<u>\$ 3,850</u>	<u>\$0</u>	<u>+ 3.5%</u>	<u>\$ 0</u>
<u>\$3,850</u>	<u>\$7,700</u>	<u>\$135</u>	<u>+ 4.0%</u>	<u>\$3,850</u>
<u>\$7,700</u>	<u>\$8,350</u>	<u>\$289</u>	<u>+ 4.5%</u>	<u>\$7,700</u>
<u>\$8,350</u>		<u>\$318</u>	<u>+ 5.5%</u>	<u>\$8,350</u>

23 (3) Rhode Island Standard Deduction.  
 24 The Rhode Island standard deduction shall be allowed in accordance with the following  
 25 table:

<u>Filing status:</u>	<u>Amount</u>
<u>Single</u>	<u>\$7,500</u>
<u>Married filing jointly or qualifying widow(er)</u>	<u>\$15,000</u>
<u>Married filing separately</u>	<u>\$7,500</u>
<u>Head of Household</u>	<u>\$11,250</u>

31 (4) Exemption Amount:  
 32 (a) The term "exemption amount" means \$2,500.  
 33 (b) Exemption amount disallowed in case of certain dependents. In the case of an  
 34 individual with respect to whom a deduction under this section is allowable to another taxpayer

1 for the same taxable year, the exemption amount applicable to such individual for such  
2 individual's taxable year shall be zero.

3 (5) Credits against tax.

4 (a) Rhode Island Earned Income Credit: A taxpayer entitled to a federal earned income  
5 credit shall be allowed a Rhode Island earned income credit equal to fifteen percent (15%) of the  
6 federal earned income credit, which shall be fully refundable.

7 (b) Property Tax Relief Credit: Credit shall be allowed for property tax relief as provided  
8 in chapter 33 of this title.

9 (c) Lead Paint Credit: Credit shall be allowed for residential lead abatement income tax  
10 credit as provided in chapter 30.3 of this title.

11 (d) Credit for income taxes of other states. – (1) General A resident shall be allowed a  
12 credit, against the Rhode Island personal income tax otherwise due for the taxable year, for the  
13 aggregate of net income taxes imposed on him or her for the taxable year by other states  
14 (including the District of Columbia) of the United States if the taxes are imposed irrespective of  
15 the residence or domicile of the taxpayer.

16 (2) Limitation of credit. The credit shall not exceed the proportion of the taxpayer's  
17 Rhode Island personal income tax that the taxpayer's Rhode Island income derived from the other  
18 taxing states bears to his or her entire Rhode Island income for the same taxable year. The source  
19 of income shall be determined in accordance with the rules prescribed in § 44-30.4-18.

20 (3) Readjustment of another state's tax. If the taxpayer is allowed credit under this section  
21 for more or less of another state's tax than the taxpayer is finally required to pay, the taxpayer  
22 shall send notice of the difference to the tax administrator who shall re-determine the tax for any  
23 years affected regardless of any otherwise applicable statute of limitations.

24 (4) Double residence. If the taxpayer is regarded as a resident both of Rhode Island and  
25 of another state for purposes of both their net income tax laws, the portion of Rhode Island tax  
26 allocable on average to the income taxed twice by reason solely of dual residence shall be  
27 reduced by the "appropriate percentage" of the lower of the two (2) state taxes allocable on  
28 average to the income taxed twice, if the other state also allows a similar reduction of its tax. The  
29 "appropriate percentage" shall be the percentage, which the Rhode Island tax is of the combined  
30 taxes of the two (2) states, allocable on average to the income taxed twice.

31 (e) Historic Structures Tax Credit: Credit allowed under § 44-33.2 shall be allowed  
32 against the tax imposed by this chapter, including any carryover allowed under § 44-33.2.

33 (f) Motion Picture Productions Tax Credit: Credit allowed under § 44-31.2 for state  
34 certified productions completed prior to January 1, 2011 shall be allowed against the tax imposed

1 by this chapter, including any carryover allowed under §§ 44-31.2.

2 **44-30.4-5.1. Adjustment of Inflation** -- The dollar amounts contained in § 44-30.4-  
3 5(a)(1), 44-30.4-5(a)(2), 44-30.4-5(a)(3), and 44-30.4-5(a)(4) shall be adjusted for inflation in a  
4 manner to be determined by the tax administrator consistence with similar adjustments contained  
5 in the United States Internal Revenue Code.

6 **44-30.4-5.2. Carryover of credits for tax years beginning before January 1, 2011.** --  
7 Any amount of unused credit for tax years beginning before January 1, 2011 shall be allowed  
8 against the tax imposed by this chapter in accordance with the carryover provisions of such  
9 credits.

10 **44-30.4-6. Net operating loss – Limitation.** -- A net operating loss deduction shall be  
11 allowed which shall be the same as the net operating loss deduction allowed under § 172 of the  
12 Internal Revenue Code, 26 U.S.C. § 172, except that: (1) any net operating loss included in  
13 determining the deduction shall be adjusted to reflect the modifications increasing and decreasing  
14 adjusted gross income required by §§ 44-30.4-12 and 44-30.4-18; (2) the deduction shall not  
15 include any net operating loss sustained during any taxable year beginning in which the taxpayer  
16 was not subject to the tax imposed by this chapter; and (3) the deduction shall not exceed the  
17 deduction for the taxable year allowable under § 172 of the Internal Revenue Code, 26 U.S.C. §  
18 172; provided, notwithstanding any other provision of law, the deduction for a taxable year may  
19 not be carried back to any other taxable year for Rhode Island purposes but shall only be  
20 allowable on a carry forward basis for the number of succeeding taxable years allowed under §  
21 172 of the Internal Revenue Code, 26 U.S.C. § 172

22 **44-30.4-7. Optional tax tables for resident individuals.** -- (a) General. The tax  
23 administrator may promulgate uniform tax tables for resident individual taxpayers for any taxable  
24 year. An individual may elect to use or not to use any tax table for which he or she is eligible.

25 (b) Preparation of tax tables. Tax tables promulgated pursuant to this section shall be  
26 based upon the individual's Rhode Island taxable income. The tax administrator shall prescribe  
27 by regulation the conditions of eligibility for the use of a tax table. In no case shall the amount of  
28 tax calculated by use of a tax table be more than five dollars (\$5.00) lower than the amount  
29 otherwise due under § 44-30.4-5.

30 **44-30.4-8. Accounting periods and methods.** -- (a) Accounting periods. A taxpayer's  
31 taxable year for the Rhode Island personal income tax shall be the same as his or her taxable year  
32 for federal income tax purposes.

33 (b) Change of accounting periods. If a taxpayer's taxable year is changed for federal  
34 income tax purposes, his or her taxable year for Rhode Island personal income tax purposes shall

1 be similarly changed.

2 (c) Accounting methods. A taxpayer's method of accounting for Rhode Island personal  
3 income tax purposes shall be the same as his or her method of accounting for federal income tax  
4 purposes. In the absence of any method of accounting for federal income tax purposes, Rhode  
5 Island taxable income shall be computed under any method that the tax administrator shall  
6 determine clearly reflects income.

7 (1) If a taxpayer's method of accounting is changed for federal income tax purposes, his  
8 or her method of accounting for Rhode Island personal income tax purposes shall be similarly  
9 changed.

10 (2) If a taxpayer's method of accounting is changed from an accrual to an installment  
11 method, any additional tax for the year of the change of method and for any subsequent year  
12 which is attributable to the receipt of installment payments properly accrued in a prior year, shall  
13 be reduced by the portion of tax for any prior taxable year attributable to the accrual of the  
14 installment payments, in accordance with regulations of the tax administrator.

15 **44-30.4-9. "Resident" and "nonresident" defined. --** (a) Resident individual. A  
16 resident individual means an individual:

17 (1) Who is domiciled in this state. In determining the domicile of an individual, the  
18 geographic location of professional advisors selected by an individual, including without  
19 limitation advisors who render medical, financial, legal, insurance, fiduciary or investment  
20 services, as well as charitable contributions to Rhode Island organizations, shall not be taken into  
21 consideration.

22 (2) Who is not domiciled in this state but maintains a permanent place of abode in this  
23 state and is in this state for an aggregate of more than one hundred eighty-three (183) days of the  
24 taxable year, unless the individual is in the armed forces of the United States.

25 (b) Nonresident individual. A nonresident individual means an individual who is not a  
26 resident.

27 (c) Resident estate or trust. A resident estate or trust means:

28 (1) The estate of a decedent who at his or her death was a resident individual in this state.

29 (2) A revocable trust which becomes irrevocable upon the occurrence of any event  
30 (including death) which terminates a person's power to revoke, but only after the event, and only  
31 if the person having the power to revoke was a Rhode Island resident individual at the time of the  
32 event.

33 (3) A trust created by will of a decedent who at his or her death was a resident individual  
34 in this state.

1 (4) An irrevocable trust created by or consisting of property contributed by a person who  
2 is a resident individual in this state at the time the trust was created or the property contributed  
3 (A) while the person is alive and a resident individual in this state, and (B) after the person's death  
4 if the person died a resident individual of this state.

5 (5) In subdivisions (2), (3), and (4) of this subsection the trust shall be a resident trust  
6 only to the extent that the beneficiaries are Rhode Island resident individuals, subject to such  
7 regulations as may be promulgated by the tax administrator.

8 (d) Nonresident estate or trust. A nonresident estate or trust means an estate or trust that  
9 is not resident.

10 (e) Cross references. For effect of change of an individual's resident status, see § 44-30.4-  
11 27.

12 **44-30.4-10. Meaning of terms.** -- Any term used in the Rhode Island personal income  
13 tax law shall have the same meaning as when used in a comparable context in the laws of the  
14 United States relating to federal income taxes, unless a different meaning is clearly required. Any  
15 reference to the laws of the United States means the provisions of the Internal Revenue Code of  
16 1954, and amendments thereto, and other provisions of the laws of the United States relating to  
17 federal income taxes for the same taxable year, except that if this reference should ever be  
18 declared unconstitutional then to the provisions that existed on January 1, 1972.

19 **44-30.4-11. Resident husband and wife.** -- (a) If the federal adjusted gross income of  
20 husband or wife is determined on a separate federal return, their Rhode Island incomes shall be  
21 separately determined.

22 (b) If the federal adjusted gross income of husband and wife, both of whom are residents,  
23 is determined on a joint federal return, their tax shall be determined on their joint Rhode Island  
24 income.

25 **44-30.4-12. Rhode Island income of a resident individual.** -- (a) General. The Rhode  
26 Island income of a resident individual means his or her adjusted gross income for federal income  
27 tax purposes, with the modifications specified in this section.

28 (b) Modifications increasing federal adjusted gross income. There shall be added to  
29 federal adjusted gross income:

30 (1) Interest income on obligations of any state, or its political subdivisions, other than  
31 Rhode Island or its political subdivisions;

32 (2) Interest or dividend income on obligations or securities of any authority, commission,  
33 or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the  
34 extent exempted by the laws of the United States from federal income tax but not from state

1 income taxes;

2 (3) The modification described in § 44-30-25(g);

3 (4)(i) The amount defined below of a nonqualified withdrawal made from an account in  
4 the tuition savings program pursuant to § 16-57-6.1. For purposes of this section, a nonqualified  
5 withdrawal is:

6 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal  
7 Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-  
8 6.1; and

9 (B) A withdrawal or distribution which is:

10 (I) Not applied on a timely basis to pay "qualified higher education expenses" as defined  
11 in § 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

12 (II) Not made for a reason referred to in § 16-57-6.1(e); or

13 (III) Not made in other circumstances for which an exclusion from tax made applicable  
14 by Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, pertains if the transfer, rollover,  
15 withdrawal or distribution is made within two (2) taxable years following the taxable year for  
16 which a contributions modification pursuant to subdivision (c)(4) of this section is taken based on  
17 contributions to any tuition savings program account by the person who is the participant of the  
18 account at the time of the contribution, whether or not the person is the participant of the account  
19 at the time of the transfer, rollover, withdrawal or distribution;

20 (ii) In the event of a nonqualified withdrawal under subparagraphs (i)(A) or (i)(B) of this  
21 subdivision, there shall be added to the federal adjusted gross income of that person for the  
22 taxable year of the withdrawal an amount equal to the lesser of:

23 (A) The amount equal to the nonqualified withdrawal reduced by the sum of any  
24 administrative fee or penalty imposed under the tuition savings program in connection with the  
25 nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the  
26 person's federal adjusted gross income for the taxable year; and

27 (B) The amount of the person's contribution modification pursuant to subdivision (c)(4)  
28 of this section for the person's taxable year of the withdrawal and the two (2) prior taxable years  
29 less the amount of any nonqualified withdrawal for the two (2) prior taxable years included in  
30 computing the person's Rhode Island income by application of this subsection for those years.  
31 Any amount added to federal adjusted gross income pursuant to this subdivision shall constitute  
32 Rhode Island income for residents, nonresidents and part-year residents; and

33 (5) The modification described in § 44-30-25.1(d)(3)(i).

34 (6) The Domestic Production Activities Deduction allowed under §199 of the United

1 States Internal Revenue Code.

2 (c) Modifications reducing federal adjusted gross income. There shall be subtracted from  
3 federal adjusted gross income any interest income on obligations of the United States and its  
4 possessions to the extent includible in gross income for federal income tax purposes, and any  
5 interest or dividend income on obligations, or securities of any authority, commission, or  
6 instrumentality of the United States to the extent includible in gross income for federal income  
7 tax purposes but exempt from state income taxes under the laws of the United States; provided,  
8 that the amount to be subtracted shall in any case be reduced by any interest on indebtedness  
9 incurred or continued to purchase or carry obligations or securities the income of which is exempt  
10 from Rhode Island personal income tax, to the extent the interest has been deducted in  
11 determining federal adjusted gross income or taxable income;

12 (d) Modification for Rhode Island fiduciary adjustment. There shall be added to or  
13 subtracted from federal adjusted gross income (as the case may be) the taxpayer's share, as  
14 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-  
15 30.4-15.

16 (e) Partners. The amounts of modifications required to be made under this section by a  
17 partner, which relate to items of income or deduction of a partnership, shall be determined under  
18 § 44-30.4-13.

19 **44-30.4-13. Resident partners.** -- (a) Partner's modifications. In determining Rhode  
20 Island income of a resident partner, any modification described in subsection (b), (c), or (d) of §  
21 44-30.4-12, which related to an item of partnership income or deduction shall be made in  
22 accordance with the partner's distributive share, for federal income tax purposes, of the item to  
23 which the modification relates. Where a partner's distributive share of any item is not required to  
24 be taken into account separately for federal income tax purposes, the partner's distributive share  
25 of the item shall be determined in accordance with his distributive share for federal income tax  
26 purposes of partnership taxable income or loss generally.

27 (b) Character of items. Each item of partnership income or deduction shall have the same  
28 character for a partner as for federal income tax purposes. Where an item is not characterized for  
29 federal income tax purposes, it shall have the same character for a partner as if realized directly  
30 from the source from which realized by the partnership or incurred in the same manner as  
31 incurred by the partnership.

32 (c) Rhode Island tax avoidance or evasion. Where a partner's distributive share of an item  
33 of partnership income or deduction is determined for federal income tax purposes by special  
34 provision in the partnership agreement with respect to the item, and where the principal purpose

1 of the provision is the avoidance or evasion of the Rhode Island personal income tax, the partner's  
2 distributive share of the item, and any modification required with respect thereto, shall be  
3 determined as if the partnership agreement made no special provision with respect to the item.

4 **44-30.4-14. Rhode Island income of a resident estate or trust.** -- (a) The Rhode Island  
5 income of a resident estate or trust means its federal adjusted gross income as modified by the  
6 addition or subtraction (as the case may be) of the share of the estate or trust in the Rhode Island  
7 fiduciary adjustment determined under § 44-30.4-15

8 (b) Amounts allowable under § 44-22-1 as a deduction in computing the taxable estate of  
9 a decedent shall not be allowed as a deduction in computing the taxable income of the estate or of  
10 any other person, unless there is filed, within the time and in the manner and form prescribed by  
11 the tax administrator, a statement that the amounts have not been allowed as deductions under §  
12 44-22-1, and a waiver of the right to have the amounts allowed at any time as deductions under §  
13 44-22-1.

14 **44-30.4-15. Share of a resident estate, trust, or beneficiary in Rhode Island fiduciary**  
15 **adjustment.** -- (a) General. An adjustment shall be made in determining Rhode Island income of  
16 a resident estate or trust under § 44-30.4-14, or Rhode Island income of a resident beneficiary of  
17 any estate or trust under § 44-30.4-12(c)(2), in the amount of the share of each in the Rhode  
18 Island fiduciary adjustment as determined in this section.

19 (b) Definition. The Rhode Island fiduciary adjustment shall be the net amount of the  
20 modifications described in § 44-30.4-12 (excluding subdivisions (b)(4) of that section) and  
21 including subsection (d) of that section if the estate or trust is a beneficiary of another estate or  
22 trust), which relates to items of income or deduction of an estate or trust.

23 (1) The respective shares of an estate or trust and its beneficiaries (including, solely for  
24 the purpose of this allocation, nonresident beneficiaries) in the Rhode Island fiduciary adjustment  
25 shall be in proportion to their respective shares of federal distributable net income of the estate or  
26 trust.

27 (2) If the estate or trust has no federal distributable net income for the taxable years, the  
28 share of each beneficiary in the Rhode Island fiduciary adjustment shall be in proportion to his or  
29 her share of the estate or trust income for that year, under the law governing the instrument,  
30 which is required to be distributed currently and any other amounts of that income distributed in  
31 that year. Any balance of the Rhode Island fiduciary adjustment shall be allocated to the estate or  
32 trust.

33 (c) Alternate attribution of modifications. The tax administrator may by regulation  
34 authorize the use of any other methods of determining to whom the items comprising the

1 fiduciary adjustment shall be attributed that may be appropriate and equitable, on any terms and  
2 conditions that the tax administrator may require.

3 **44-30.4-16. Credit to trust beneficiary receiving accumulation distribution.** -- (a)

4 General. A resident beneficiary of a trust whose Rhode Island income includes all or part of an  
5 accumulation distribution by the trust, as defined in 26 U.S.C. § 665, shall be allowed a credit  
6 against the tax otherwise due under this chapter for all or a proportionate part of any tax paid by  
7 the trust under this chapter for any preceding taxable year which would not have been payable if  
8 the trust had in fact made distributions to its beneficiaries at the times and in the amounts  
9 specified in 26 U.S.C. § 666.

10 (b) Limitation. The credit under this section shall not reduce the tax otherwise due from  
11 the beneficiary under this chapter to an amount less than would have been due if the accumulation  
12 distribution or his or her part thereof were excluded from his or her Rhode Island income.

13 **44-30.4-17. Nonresident husband and wife.** -- (a) If the federal income tax liability of

14 husband or wife, both of whom are nonresidents, is determined on a separate federal return, their  
15 Rhode Island tax shall be separately determined.

16 (b) If the federal income tax liability of husband and wife, both of whom are  
17 nonresidents, is determined on a joint federal return, their tax shall be determined on their joint  
18 Rhode Island income.

19 (c) If either husband or wife is a resident and the other is a nonresident, separate taxes  
20 shall be determined on their separate Rhode Island incomes on any forms that may be required by  
21 the tax administrator, unless both elect to determine their joint Rhode Island income as if both  
22 were residents. If separate returns are filed, Rhode Island personal income tax shall be determined  
23 as if they had filed separate federal income tax returns.

24 **44-30.4-18. Rhode Island income of a nonresident individual.** -- (a) *General.* The

25 Rhode Island income of a nonresident individual shall be the sum of the following:

26 (1) The net amount of items of income and deduction entering into his or her federal  
27 adjusted gross income derived from or connected with Rhode Island sources, including:

28 (i) His or her distributive share of partnership income and deductions, determined under §  
29 44-30.4-20; and

30 (ii) His or her share of estate or trust income and deductions, determined under § 44-30.4-  
31 22; and

32 (2) The portion of the modifications described in subsections (b) and (c) of § 44-30.4-12  
33 which relate to income derived from Rhode Island sources, including any modifications  
34 attributable to the individual as a partner.

1           (3) The portion of the modifications described in § 44-30.4-12(b) which relate to the  
2 tuition savings plan program referred to in § 16-57-6.1.

3           (b) Income and deduction from Rhode Island sources.

4           (1) Items of income and deduction derived from or connected with Rhode Island sources  
5 shall be those items attributable to:

6           (i) The ownership or disposition of any interest in real or tangible personal property in  
7 this state; or

8           (ii) A business, trade, profession, or occupation carried on in this state;

9           (iii) Gambling winnings from the state lottery and gambling winnings from pari-mutuel  
10 betting events conducted or operated by a licensee within this state.

11           (2) Income from intangible personal property, including annuities, dividends, interest,  
12 and gains from the disposition of intangible personal property, shall constitute income derived  
13 from Rhode Island sources only to the extent that the intangible personal property is employed in  
14 a business, trade, profession, or occupation carried on in this state.

15           (3) Deductions with respect to capital losses, net long-term capital gains, and net  
16 operating losses shall be based solely on income and deductions derived from or connected with  
17 Rhode Island sources, under regulations of the tax administrator, but otherwise shall be  
18 determined in the same manner as the corresponding federal deductions.

19           (c) Income and deductions partly from Rhode Island sources. If a business, trade,  
20 profession, or occupation is carried on partly within and partly without this state, the items of  
21 income and deduction derived from or connected with Rhode Island sources shall be determined  
22 by apportionment and allocation under regulations to be promulgated by the tax administrator.

23           (d) Military pay. Compensation paid by the United States for service in the armed forces  
24 of the United States, performed by an individual not domiciled in this state, shall not constitute  
25 income derived from Rhode Island sources.

26           **44-30.4-19. Apportionment.** -- The Rhode Island income tax liability of a nonresident  
27 individual which is attributable to Rhode Island income shall be that proportion which Rhode  
28 Island income bears to federal adjusted gross income after the modifications in § 44-30.4-12(b) or  
29 (c). For the purpose of this apportionment, a nonresident individual may elect to treat his or her  
30 federal adjusted gross income as his or her Rhode Island income unless the amount of the  
31 modifications increasing federal adjusted gross income under § 44-30.4-12 would exceed one  
32 hundred dollars (\$100). For nonresident individuals the credit allowed under 44-30.4-5(a)(5)(a)  
33 shall be apportioned in the same manner.

34           **44-30.4-20. Nonresident partners.** -- (a) Portion derived from Rhode Island sources. In

1 determining Rhode Island income of a nonresident partner of any partnership, there shall be  
2 included only the portion derived from or connected with Rhode Island sources of the partner's  
3 distributive share of items of partnership income and deduction entering into his or her federal  
4 adjusted gross income, as such portion shall be determined under regulations of the tax  
5 administrator consistent with the applicable rules of § 44-30.4-18.

6 (b) Special rules as to Rhode Island sources. In determining the sources of a nonresident  
7 partner's income, no effect shall be given to a provision in the partnership agreement which:

8 (1) Characterizes payments to the partner as being for services or for the use of capital; or

9 (2) Allocates to the partner, as income from sources outside Rhode Island, a greater  
10 proportion of his or her distributive share of partnership income than the ratio of partnership  
11 income from sources outside Rhode Island to partnership income from all sources, except as  
12 authorized in subsection (d) of this section; or

13 (3) Allocates to the partner a greater proportion of a partnership item of deduction  
14 connected with Rhode Island sources than his or her proportionate share, for federal income tax  
15 purposes, of partnership deductions generally, except as authorized in subsection (d) of this  
16 section.

17 (c) Partner's modifications. Any modification described in subsection (b) or (c) of § 44-  
18 30.4-12 which relates to an item of partnership income or deduction, shall be made in accordance  
19 with the partner's distributive share for federal income tax purposes of the item to which the  
20 modification relates, but limited to the portion of the item derived from or connected with Rhode  
21 Island sources.

22 (d) Alternate methods. The tax administrator may, on application, authorize the use of  
23 any other methods of determining a nonresident's portion of partnership items derived from or  
24 connected with Rhode Island sources, and the modifications related thereto, that may be  
25 appropriate and equitable, on any terms and conditions that the tax administrator may require.

26 (1) A partner's distributive share of items shall be determined under § 44-30.4-13(a).

27 (2) The character of partnership items for a nonresident partner shall be determined under  
28 § 44-30.4-13(b).

29 (3) The effect of a special provision in a partnership agreement having the principal  
30 purpose of avoidance or evasion of Rhode Island personal income tax shall be determined under §  
31 44-30.4-13(c).

32 **44-30.4-21. Rhode Island income of a nonresident estate or trust. -- The Rhode**  
33 **Island income of a nonresident estate or trust shall be determined as follows:**

34 (1) Items in distributable net income. There shall be determined its share of income and

1 deduction from Rhode Island sources under § 44-30.4-22, relating to items entering into the  
2 definition of "distributable net income".

3 (2) *Items not in distributable net income.* There shall be added or subtracted, as the case  
4 may be, the amount derived from or connected with Rhode Island sources of any income and  
5 deduction recognized for federal income tax purposes but excluded from the definition of "federal  
6 distributable net income" of the estate or trust. The source of the income and deduction shall be  
7 determined under regulations of the tax administrator in keeping with the applicable rules of § 40-  
8 30.4-16 as if the estate or trust were a nonresident individual.

9 (3) *Exemption.* There shall be subtracted the amount of its federal exemption.

10 **44-30.4-22. Share of a nonresident estate, trust, or beneficiary in income from**  
11 **Rhode Island sources.** -- (a) General. The share of a nonresident estate or trust under § 44-30.4-  
12 21(1) and the share of a nonresident beneficiary of any estate or trust under § 44-30.4-18(a) in  
13 estate or trust income and deduction from Rhode Island sources shall be determined as follows:

14 (1) *Items of distributable net income from Rhode Island sources.* There shall be  
15 determined the items of income and deduction, derived from or connected with Rhode Island  
16 sources, which enter into the definition of "federal distributable net income" of the estate or trust  
17 for the taxable year, including the items from another estate or trust of which the first estate or  
18 trust is a beneficiary. The determination of source shall be made under regulations of the tax  
19 administrator in keeping with the applicable rules of § 44-30.4-18 as if the estate or trust were a  
20 nonresident individual.

21 (2) *Addition or subtraction of modifications.* There shall be added to or subtracted from,  
22 as the case may be, the modifications described in § 44-30.4-12(b) and (c)(excluding subdivision  
23 (b)(4)) to the extent relating to items of income and deduction, derived from or connected with  
24 Rhode Island sources, which enter into the definition of "federal distributable net income",  
25 including the items from another estate or trust of which the first estate or trust is a beneficiary.  
26 No modification shall be made under this subsection that has the effect of duplicating an item  
27 already reflected in the definition of "federal distributable net income".

28 (i) The amounts determined under subdivisions (1) and (2) of this subsection shall be  
29 allocated among the estate or trust and its beneficiaries, including, solely for the purpose of this  
30 allocation, resident beneficiaries, in proportion to their respective shares of federal distributable  
31 net income.

32 (ii) The amounts so allocated shall have the same character as for federal income tax  
33 purposes. Where an item entering into the computation of the amounts is not characterized for  
34 federal income tax purposes, it shall have the same character as if realized directly from the

1 source from which realized by the estate or trust, or incurred in the same manner as incurred by  
2 the estate or trust.

3 (1) If the estate or trust has no federal distributable net income for the taxable year, the  
4 share of each beneficiary, including, solely for the purpose of this allocation, resident  
5 beneficiaries, in the net amount determined under subdivisions (a)(1) and (a)(2) of this section  
6 shall be in proportion to his share of the estate or trust income for that year, under local law or the  
7 governing instrument, which is required to be distributed currently and any other amounts of the  
8 income distributed in that year. Any balance of the net amount shall be allocated to the estate or  
9 trust.

10 (2) The tax administrator may by regulation authorize the use of any other methods of  
11 determining the respective shares of the beneficiaries and of the estate or trust in its income  
12 derived from Rhode Island sources, and the modification related thereto that may be appropriate  
13 and equitable, on any terms and conditions that the tax administrator may require.

14 **44-30.4-23. Credit to trust beneficiary receiving accumulation distribution. -- A**  
15 nonresident beneficiary of a trust whose Rhode Island income includes all or part of an  
16 accumulation distribution by the trust, as defined in 26 U.S.C. § 665, shall be allowed a credit  
17 against the tax otherwise due under this chapter, computed in the same manner and subject to the  
18 same limitation as provided by § 44-30.4-16 with respect to a resident beneficiary.

19 **44-30.4-24. Returns and liabilities. -- (a) General.** On or before the fifteenth day of the  
20 fourth month following the close of a taxable year, a Rhode Island personal income tax return  
21 shall be made and filed by or for:

22 (1) Every resident individual required to file a federal income tax return for the taxable  
23 year, or having Rhode Island income for the taxable year, determined under § 44-30.4-12, in  
24 excess of the sum of his federal personal exemptions;

25 (2) Every resident estate or trust required to file a federal income tax return for the  
26 taxable year, or having any Rhode Island income for the taxable year, determined under § 44-  
27 30.4-14;

28 (3) Every nonresident individual having Rhode Island income for the taxable year,  
29 determined under § 44-30.4-18; and

30 (4) Every nonresident estate or trust having items of income derived from Rhode Island  
31 sources, determined in accordance with the applicable rules of § 44-30.4-21 as in the case of a  
32 nonresident individual, in excess of its federal exemption.

33 (b) Husband and wife.

34 (1) If the federal income tax liability of husband or wife is determined on a separate

1 federal return, their Rhode Island income tax liabilities and returns shall be separate.

2 (2) If the federal income tax liabilities of husband and wife, other than a husband and  
3 wife described in subdivision (4) of this subsection, are determined on a joint federal return, they  
4 shall file a joint Rhode Island income tax return, and their tax liabilities shall be joint and several.

5 (3) If neither husband nor wife is required to file a federal return but either is required  
6 nevertheless to file a Rhode Island return, their Rhode Island returns and liabilities may at their  
7 election be either joint or separate.

8 (4) If either husband or wife is a resident and the other is a nonresident, they shall file  
9 separate Rhode Island income tax returns on any forms that may be required by the tax  
10 administrator in which event their tax liabilities shall be separate, unless both elect to determine  
11 their joint Rhode Island income as if both were residents, in which event their tax liabilities shall  
12 be joint and several.

13 (c) Decedents. The return for any deceased individual shall be made and filed by his or  
14 her executor, administrator, or other person charged with his or her property. A final return of a  
15 decendent shall be due when it would have been due if the decedent had not died.

16 (d) Individuals under a disability. The return for an individual who is unable to make a  
17 return by reason of minority or other disability shall be made and filed by his or her guardian,  
18 conservator, fiduciary, or other person charged with the care of his or her person or property  
19 (other than a receiver in possession of only a part of his or her property), or by his or her duly  
20 authorized agent.

21 (e) Estates and trusts. The return for an estate or trust shall be made and filed by the  
22 fiduciary.

23 (f) Joint fiduciaries. If two (2) or more fiduciaries are acting jointly, the return may be  
24 made by any one of them.

25 (g) Tax a debt. Any Rhode Island personal income tax and any increase, interest or  
26 penalty thereon shall, from the time it is due and payable, be a debt of the person liable to pay the  
27 same to the state.

28 (h) Cross reference. See § 44-30.4-31 for information returns by partnerships, employers,  
29 and other persons.

30 **44-30.4-25. Time and place for filing returns and paying tax. -- A person required to**  
31 **make and file a Rhode Island personal income tax return shall, without assessment, notice, or**  
32 **demand, pay any tax due thereon to the tax administrator on or before the date fixed for filing the**  
33 **return, determined without regard to any extension of time for filing the return. The tax**  
34 **administrator shall prescribe the place for filing any return, declaration, statement, or other**

1 document and for payment of the tax.

2 **44-30.4-26. Signing of returns and other documents.** -- (a) General. Any return,  
3 declaration, statement, or other document required to be made pursuant to the Rhode Island  
4 personal income tax law shall be signed in accordance with regulations or instructions prescribed  
5 by the tax administrator. The fact that an individual's name is signed to a return, declaration,  
6 statement, or other document, shall be prima facie evidence for all purposes that the return,  
7 declaration, statement or other document was actually signed by the individual.

8 (b) Partnerships. Any return, statement, or other document, required of a partnership  
9 shall be signed by one or more partners. The fact that a partner's name is signed to a return,  
10 statement, or other document, shall be prima facie evidence for all purposes that the partner is  
11 authorized to sign on behalf of the partnership.

12 (c) Certifications. The making or filing of any return, declaration, statement, or other  
13 document or copy thereof required to be made or filed pursuant to the Rhode Island personal  
14 income tax law, including a copy of a federal return, shall constitute a certification by the person  
15 making or filing the return, declaration, statement, or other document or copy thereof that the  
16 statements contained therein are true and that any copy filed is a true copy.

17 **44-30.4-27. Change of resident status during year.** -- (a) General. Subject to  
18 regulations of the tax administrator, if an individual changes his or her status during his or her  
19 taxable year from resident to nonresident, or from nonresident to resident, the individual shall file  
20 one return as a resident for the portion of the year during which the individual is a resident, and  
21 one return as a nonresident for the portion of the year during which the individual is a  
22 nonresident.

23 (b) Rhode Island income as resident and nonresident. The Rhode Island income for the  
24 portion of the year during which the individual is a resident shall be determined, except as  
25 provided in subsection (c) of this section, of this chapter as if his or her taxable year for federal  
26 income tax purposes were limited to the period of his or her resident status. The Rhode Island  
27 income for the remaining portion of his or her taxable year during which the individual is a  
28 nonresident shall be determined, except as provided in subsection (c) of this section, of this  
29 chapter as if his or her taxable year for federal income tax purposes were limited to the period of  
30 his or her nonresident status.

31 (c) Special Accruals

32 (1) If an individual changes his or her status from resident to nonresident, the individual  
33 shall, regardless of his or her method of accounting, accrue for the portion of the taxable year  
34 prior to the change of status any items of income or deduction accruing prior to the change of

1 status, if not otherwise properly includible, whether or not because of an election to report on an  
2 installment basis, or allowable for Rhode Island income tax purposes for that portion of the  
3 taxable year or for a prior taxable year. The amounts of the accrued items shall be determined  
4 with the applicable modifications described in § 44-30.4-12 as if the accrued items were  
5 includible or allowable for federal income tax purposes.

6 (2) If an individual changes his or her status from nonresident to resident, the individual  
7 shall, regardless of his or her method of accounting, accrue for the portion of the taxable year  
8 prior to the change of status any items of income or deduction accruing prior to the change of  
9 status, other than derived from or connected with Rhode Island sources, if not otherwise properly  
10 includible (whether or not because of an election to report on an installment basis) or allowable  
11 for federal income tax purposes for that portion of the taxable year or a prior taxable year. The  
12 amounts of the accrued items shall be determined with the applicable modifications described in §  
13 44-30.4-12 as if the accrued items were includible or allowable for federal income tax purposes.

14 (3) No item of income or deduction, which is accrued under this subsection, shall be  
15 taken into account in determining Rhode Island income or Rhode Island deductions for any  
16 subsequent taxable period.

17 (4) The accruals under this subsection shall not be required if the individual files with the  
18 tax administrator a bond or other security acceptable to the tax administrator, conditioned upon  
19 the inclusion of amounts accruable under this subsection in Rhode Island income for one or more  
20 subsequent taxable years as if the individual had not changed his or her resident status.

21 (d) Minimum Tax. Where two (2) returns are required under this section, the total of the  
22 taxes due thereon shall not be less than would be due if the Rhode Island incomes reportable on  
23 the two (2) returns were includible in one return.

24 (e) Prorations. Where two (2) returns are required under this section, the federal standard  
25 deduction and the federal personal exemptions shall be prorated, under regulations of the tax  
26 administrator, between the two (2) returns to reflect the portions of the entire taxable year during  
27 which the individual was a resident and a nonresident.

28 **44-30.4-28. Declarations of estimated tax. – (a) Requirement of filing. Every resident**  
29 **and nonresident individual and every resident and nonresident estate and trust shall make a**  
30 **declaration of his, her or its estimated Rhode Island personal income tax for each taxable year**  
31 **beginning after December 31, 1999, if his, her or its estimated Rhode Island personal income tax**  
32 **can reasonably be expected to be two hundred and fifty dollars (\$250) or more in excess of any**  
33 **credits allowable against his, her or its tax, whether or not the individual, estate or trust is**  
34 **required to file a federal declaration of estimated tax for that year.**

1 (b) Joint declaration of husband and wife. A husband and wife may make a joint  
2 declaration of estimated tax as if they were one taxpayer, in which case the liability with respect  
3 to the estimated tax shall be joint and several. No joint declaration may be made if husband and  
4 wife are separated under a decree of divorce or of separate maintenance, or if they have different  
5 taxable years. If a joint declaration is made but husband and wife determine their Rhode Island  
6 personal income taxes separately, the estimated tax for that year may be treated as the estimated  
7 tax of either husband or wife, or may be divided between them, as they may elect.

8 (c) Time for filing. An individual's declaration of estimated Rhode Island personal income  
9 tax shall be filed on or before the fifteenth day of the fourth month of his or her taxable year,  
10 except in the event the individual is not required to file his or her declaration of estimated federal  
11 income tax until a later date, in which event the later date shall be the due date for the Rhode  
12 Island declaration.

13 (d) Amended declaration. An individual may amend a declaration under regulations of  
14 the tax administrator.

15 (e) Return as declaration. If on or before the fifteenth day of the second month after the  
16 close of his or her taxable year an individual files his or her return for the year and pays with the  
17 return the full amount of the tax shown to be due on the return, the return shall be considered as  
18 his or her declaration if it was not otherwise required to be filed prior to the close of his or her  
19 taxable year.

20 (f) Declaration for individual under a disability. The declaration of estimated tax for an  
21 individual who is unable to make a declaration by reason of minority or other disability shall be  
22 made and filed by his or her guardian, conservator, fiduciary, or other person charged with the  
23 care of his or her person or property (other than a receiver in possession of only a part of his or  
24 her property), or by his or her duly authorized agent.

25 **44-30.4-29. Payments of estimated tax. -- (a) General.** The estimated Rhode Island  
26 personal income tax, in excess of any credits allowable against the tax, shall for each taxable year  
27 be paid not later than as follows:

<u>If due date for filing</u>	<u>Then due dates of equal</u>
<u>Declaration is:</u>	<u>installments are:</u>
<u>(1) April 15</u>	<u>April 15; June 15; September 15;</u> <u>January 15 of following year.</u>
<u>(2) June 15</u>	<u>June 15; September 15; January 15 of</u> <u>following year.</u>
<u>(3) September 15</u>	<u>September 15; and January 15 of</u>

1 following year.

2 (4) January 15 of

3 following year

All to be paid with the declaration

4 (b) Late declarations. If a declaration is filed after the due date, including the date fixed  
5 by an extension, the installment payable on or before the filing date shall be paid at that time. The  
6 remaining installment shall be due on the prescribed date.

7 (c) Amendments of declaration. If an amendment of a declaration is filed, any remaining  
8 installments shall be ratably increased or decreased (as the case may be) to reflect any resultant  
9 increase or decrease in the estimated Rhode Island personal income tax, in excess of any credits  
10 allowable against the tax. If an amendment is made after September 15 of the taxable year, any  
11 resultant increase shall be paid at the time of filing the amendment.

12 (d) Fiscal year or short taxable year. This section shall apply to a taxable year other than  
13 a calendar year by the substitution of the months of a fiscal year for the corresponding specified  
14 months and shall apply to a taxable year of less than twelve (12) months under regulations of the  
15 tax administrator.

16 (e) The payments of estimated tax shall be a credit against tax for the taxable year as may  
17 appear on the tax return.

18 **44-30.4-30. Extensions of time. -- (a) General.** Under any regulations that the tax  
19 administrator shall promulgate, the administrator may grant a reasonable extension of time for  
20 payment of tax or estimated tax, or any installment, or for filing any return, declaration,  
21 statement, or other required document. Except for a taxpayer who is outside the United States, no  
22 extension for filing any return, declaration, statement, or other document, shall exceed six (6)  
23 months.

24 (b) Furnishing of security. If any extension of time is granted for payment of any amount  
25 of tax, the tax administrator may by regulation require the taxpayer to furnish a bond or other  
26 security in an amount not exceeding twice the amount for which the extension of time for  
27 payment is granted.

28 (c) Cross reference. See § 44-30.4-45 for interest provided in case of extension of time  
29 for payment.

30 **44-30.4-31. Requirements concerning returns, notices, records, and statements. --**

31 (a) General. The tax administrator may prescribe regulations as to the keeping of records,  
32 the content and form of returns and statements, and the filing of copies of federal income tax  
33 returns and determinations. The tax administrator may require any person, by regulation or notice  
34 served upon the person, to make any returns, render any statements, or keep any records that the

1 tax administrator may deem sufficient to show whether or not the person is liable for the tax or  
2 for collection of the tax.

3 (b) Partnerships. Every partnership having any income derived from Rhode Island  
4 sources, determined in accordance with the applicable rules of § 44-30.4-18 as in the case of a  
5 nonresident individual, shall make a return for the taxable year setting forth all items of income  
6 and deduction and any other pertinent information that the tax administrator may by regulation or  
7 instructions prescribe. Any partnership with nonresident partners having any income derived from  
8 Rhode Island sources shall be subject to the provisions of § 44-11-2.2.

9 (c) Information at source. The tax administrator may prescribe regulations and  
10 instructions requiring returns of information to be made and filed on or before February 28 of  
11 each year as to the payment or crediting in any calendar year of amounts of one hundred dollars  
12 (\$100) or more to any Rhode Island personal income taxpayer. The returns may be required of  
13 any person, including lessees or mortgagors of real or personal property, fiduciaries, employers,  
14 and all officers and employees of this state, or of any municipal corporation or political  
15 subdivision of this state, having the control, receipt, custody, disposal, or payment of interest,  
16 rents, salaries, wages, premiums, dividends and other corporate distributions, annuities,  
17 compensations, remunerations, emoluments, or other fixed or determinable gains, profits, or  
18 income. A duplicate of the statement as to tax withheld on wages, required to be furnished by an  
19 employer to an employee, shall constitute the return of information required to be made under this  
20 section with respect to the wages.

21 (d) Notice of qualification as fiduciary. Every receiver, trustee in bankruptcy, assignee  
22 for benefit of creditors, or other like fiduciary shall give notice of his or her qualification as such  
23 to the tax administrator as may be required by regulation.

24 **44-30.4-32. Report of change in federal taxable income. -- Subject to regulations of the**  
25 **tax administrator, if the amount of a taxpayer's federal taxable income reported on his or her**  
26 **federal income tax return for any taxable year beginning on or after January 1, 1971, is changed**  
27 **or corrected by the United States Internal Revenue Service or other competent authority, or as the**  
28 **result of a renegotiation of a contract or subcontract with the United States, the taxpayer shall**  
29 **report the change or correction in federal taxable income within ninety (90) days after the final**  
30 **determination of the change, correction, or renegotiation, or as otherwise required by the tax**  
31 **administrator, and shall concede the accuracy of the determination or state wherein it is**  
32 **erroneous. Any taxpayer filing an amended federal income tax return shall also file within ninety**  
33 **(90) days thereafter an amended Rhode Island personal income tax return and shall give any**  
34 **information that the tax administrator may require.**

1           **44-30.4-33. Change of election.** -- Subject to regulations promulgated by the tax  
2 administrator, a taxpayer may change any election expressly authorized by the Rhode Island  
3 personal income tax law.

4           **44-30.4-34. Requirement of withholding tax from wages.** -- *(a) General.* Every  
5 employer maintaining an office or transacting business within this state and making payment of  
6 any wages subject to Rhode Island personal income tax to a resident or nonresident individual  
7 shall deduct and withhold from the wages for each payroll period a tax computed in such manner  
8 as to result, so far as practicable, in withholding from the employee's wages during each calendar  
9 year an amount substantially equivalent to the tax reasonably estimated to be due resulting from  
10 the inclusion in the employee's Rhode Island income of his or her wages received during the  
11 calendar year. The method of determining the amount to be withheld shall be prescribed by  
12 regulations of the tax administrator, with due regard to the withholding exemptions of the  
13 employee.

14           (b) Withholding exemptions. For purposes of this section:

15           (1) An employee shall be entitled to the equivalent of the same number of Rhode Island  
16 withholding exemptions as the number of withholding exemptions to which he or she is entitled  
17 for federal income tax withholding purposes. An employer may rely upon the number of federal  
18 withholding exemptions claimed by the employee.

19           (2) The amount of the equivalent of each Rhode Island withholding exemption shall be  
20 equal to and correspond to those set forth in 26 U.S.C. § 3402(b).

21           **44-30.4-34.1. Voluntary withholding of tax from military retirement payments.** -- *(a)*  
22 The tax administrator may enter into agreements with the federal government to allow for the  
23 withholding from military retirement payments subject to Rhode Island personal income tax of a  
24 resident individual, an amount substantially equivalent to the tax reasonably estimated to be due  
25 resulting from the inclusion in the resident's Rhode Island income of his or her retirement  
26 payments received during any calendar year.

27           (b) The method of determining the amount to be withheld shall be prescribed by  
28 regulations of the tax administrator, with due regard to the withholding exemptions of the  
29 resident.

30           (c) The provisions of this section shall apply only to a resident who so elects to have the  
31 withholding effected.

32           **44-30.4-34.2. Withholding of tax from lottery and pari-mutuel betting winnings.** --

33           (a) The director of lotteries shall deduct and withhold from the prize money of any person  
34 winning a prize from the state lottery a tax computed in such a manner as to result, so far as

1 practicable, in an amount substantially equivalent to the tax reasonably estimated to be due  
2 resulting from the inclusion in the individual's Rhode Island income of his or her prize money  
3 received during the calendar year. The method of determining the amount to be withheld shall be  
4 prescribed by regulations of the tax administrator, which regulations and amounts shall be based  
5 upon the federal rules, regulations and procedures.

6 (b) Every licensee conducting or operating events upon which pari-mutuel betting is  
7 allowed shall deduct and withhold from the winnings of any person a tax computed in such  
8 manner as to result, so far as practicable, in an amount substantially equivalent to the tax  
9 reasonably estimated to be due resulting from the inclusion in the individual's Rhode Island  
10 income of his or her winnings received during the calendar year. The method of determining the  
11 amount to be withheld shall be prescribed by regulations of the tax administrator, which  
12 regulations and the amounts shall be based upon the federal rules, regulations and procedures.

13 **44-30.4-34.3. Sale of real property by nonresidents – Withholding requirements. --**

14 (a) In a sale of real property and associated tangible personal property owned by a  
15 nonresident, the buyer shall deduct and withhold on the payments an amount equal to six percent  
16 (5.5%) of the total payment to nonresident individuals, estates, partnerships or trusts, and an  
17 amount equal to the rate imposed by § 44-11-2 multiplied by the total payment to nonresident  
18 corporations. For purposes of this section a "nonresident corporation" is a corporation that is  
19 neither incorporated in this state nor authorized by the secretary of state or board of bank  
20 incorporation to do business in this state.

21 (b) "Total payment" means the net proceeds of the sale actually paid to the nonresident  
22 seller including the fair market value of any property to be transferred to the seller.

23 (c) Every buyer subject to the withholding, deduction and payment provisions of this  
24 section shall be liable for all amounts withheld or required to be withheld and the amount  
25 required to be withheld under the provisions of this section shall, until remitted, constitute a lien  
26 upon the property of the owner.

27 (d) The buyer shall remit all monies deducted and withheld pursuant to subsection (a) of  
28 this section to the tax administrator within three (3) banking days of the date of closing on forms  
29 prescribed by the tax administrator. Interest provisions of § 44-1-7 shall be applicable to this  
30 section.

31 (e) Payments upon which monies were deducted and withheld pursuant to subsection (a)  
32 of this section shall be deemed to have been paid to the tax administrator on behalf of the person  
33 from whom it was withheld and the person shall be credited with having paid that amount for the  
34 taxable year beginning in that calendar year.

1           (f) The closing attorney, lending institution, and real estate agent or broker in any  
2 transaction governed by the provisions of this section is not subject to the withholding, deduction,  
3 or payment provisions of this section.

4           (g) All forms prescribed by the tax administrator, which require recording in the land  
5 evidence records, shall include the name of the sellers and the street address of the property.

6           (h) Notwithstanding any other provision of this section to the contrary, a lien created by  
7 the provisions of this section shall cease to be a lien upon or enforceable against real estate upon  
8 the expiration of a period of ten (10) years from and after the date of the sale of real property and  
9 associated tangible personal property which gave rise to the lien.

10           **44-30.4-34.4. Employee leasing companies – Payroll companies.** -- (a) Employee  
11 leasing company certification.

12           (1) Every "employee leasing company", defined in this section as any individual, firm,  
13 partnership or corporation engaged in providing workers to employers or firms under a contract  
14 or leasing arrangement, shall, as a condition of doing business in this state, be certified by the  
15 division of taxation each year, that the company has complied with the withholding provisions of  
16 chapter 30.4 of this title.

17           (2) Employee leasing companies must apply to the division of taxation during the month  
18 of July of each year for a certificate executed by the tax administrator certifying that all taxes  
19 withheld from employees, or subject to withholding from employees have been remitted to the  
20 division of taxation including the withholding provisions of chapter 30.4 of this title and the  
21 contribution, interest, and penalty provisions pursuant to the Employment Security Act, chapters  
22 42 – 44 of title 28, and the Temporary Disability Insurance Act, chapters 39 – 41 of title 28 have  
23 been remitted to the department of labor and training. No certificate shall be issued if taxes  
24 subject to withholding or contributions have not been withheld and remitted.

25           (3) No employee leasing firm may conduct business in this state without the certification  
26 prescribed in subdivision (2) of this subsection. Any employer or firm that engages any employee  
27 leasing company that is not certified by the tax administrator shall be jointly and severally liable  
28 for the taxes required to be withheld and remitted under § 44-30.4-34 or chapters 39 – 44 of title  
29 28.

30           (b) Payroll companies – Joint liability. Every payroll company, herein defined as any  
31 individual, firm, partnership or corporation engaging in providing payroll services to employers  
32 which services include the withholding of tax including the withholding provisions of chapter  
33 30.4 of this title and the contribution, interest, and penalty provisions pursuant to the Employment  
34 Security Act, chapters 42 – 44 of title 28, and the Temporary Disability Insurance Act, chapters

1 39 – 41 of title 28 from employee wages and which receives moneys from a customer or  
2 employer for Rhode Island withholding from the wages of the customer's employees, and who  
3 fails to remit said withholding to the division of taxation or contributions to the department of  
4 labor and training on a timely basis, shall be jointly and severally liable with the customer or  
5 employer for said withholdings.

6 **44-30.4-35. Withholding agreements.** -- The tax administrator may enter into  
7 agreements with the tax departments of other states, which require income tax to be withheld  
8 from the payment of wages and salaries, so as to govern the amounts to be withheld from the  
9 wages and salaries of residents of those states under provisions of this chapter. The agreements  
10 may provide for recognition of anticipated tax credits in determining the amounts to be withheld  
11 and, under regulations prescribed by the tax administrator, may relieve employers in this state  
12 from withholding income tax on wages and salaries paid to nonresident employees. The  
13 agreements authorized by this subsection are subject to the condition that the tax departments of  
14 the other states grant similar treatment to residents of this state.

15 **44-30.4-36. Information statement for employee.** -- Every employer required to deduct  
16 and withhold Rhode Island personal income tax from the wages of an employee, or who would  
17 have been required to deduct and withhold tax if the employee had claimed no more than one  
18 withholding exemption, shall furnish to the employee in respect of the wages paid by the  
19 employer to the employee during the calendar year on or before January 31 of the succeeding  
20 year, or, if his or her employment is terminated before the close of the calendar year, within thirty  
21 (30) days after the date on which the last payment of the wages is made, a written statement as  
22 prescribed by the tax administrator showing the amount of wages paid by the employer to the  
23 employee, the amount deducted and withheld as tax, and any other information that the tax  
24 administrator shall prescribe.

25 **44-30.4-37. Credit for tax withheld.** -- Wages upon which tax is required to be  
26 withheld shall be taxable as if no withholding were required, but any amount of Rhode Island  
27 personal income tax actually deducted and withheld in any calendar year shall be deemed to have  
28 been paid to the tax administrator on behalf of the person from whom withheld, and the person  
29 shall be credited with having paid that amount of tax for the taxable year beginning in that  
30 calendar year. For a taxable year of less than twelve (12) months, the credit shall be made under  
31 regulations of the tax administrator.

32 **44-30.4-38. Employer's return and payment of withheld taxes.** -- Every employer  
33 required to deduct and withhold tax under this chapter shall file a withholding tax return on forms  
34 prescribed and at the times prescribed by the tax administrator and pay over to the tax

1 administrator or to a depository designated by the tax administrator the taxes so required to be  
2 deducted and withheld.

3 **44-30.4-39. Employer's liability for withheld taxes – Violations – Penalties. -- (a)(1)**

4 Every employer required to deduct and withhold Rhode Island personal income tax is hereby  
5 made liable for the tax. In addition, any amount of Rhode Island personal income tax actually  
6 deducted and withheld shall be held to be a special fund in trust for the tax administrator. No  
7 employee shall have any right of action against his or her employer in respect to any moneys  
8 deducted and withheld from his or her wages and required to be paid over to the tax administrator  
9 in compliance or in intended compliance with this law.

10 (2) For purposes of this section the term "employer" includes an officer or employee of a  
11 corporation, including a dissolved corporation, or a member or employee of a partnership, if the  
12 officer, employee, or member is under a duty to deduct and withhold Rhode Island personal  
13 income tax.

14 (b) If the tax administrator believes that the payment to the state of the trust fund  
15 established under this section will be jeopardized by delay, neglect, or misappropriation, he or she  
16 shall thereupon notify the employer that the trust fund shall be segregated, and be kept separate  
17 and apart from all other funds and assets of the employer and shall not be commingled with any  
18 other funds or assets. The notice shall be given by either hand delivery or by registered mail,  
19 return receipt requested. Within four (4) days after the sending of the notice, all the taxes which  
20 thereafter either become collectible or are collected shall be deposited daily in any financial  
21 institution in the state defined in title 19 and the taxes shall be designated as a special fund in trust  
22 for the state and payable to the state by the employer as trustee of the fund. If an employer who  
23 has been notified to segregate such trust funds as a result of its failure to remit Rhode Island  
24 personal income taxes actually deducted and withheld fails to segregate such trust funds, or after  
25 such notice fails or refuses to deduct and withhold personal income tax from its employees, the  
26 tax administrator may institute proceedings in the superior court of this state to restrain and enjoin  
27 such employer from engaging in business in this state until such time as the employer complies  
28 with the notice to segregate trust funds.

29 (c) Any employer and any officer, agent, servant, or employee of any corporate employer  
30 responsible for either the collection or payment of the tax, who appropriates or converts the tax  
31 collected to his or her own use or to any use other than the payment of the tax to the extent that  
32 the money required to be collected is not available for payment on the due date as prescribed in  
33 this chapter, shall upon conviction for each offense be fined not more than one thousand dollars  
34 (\$1,000), or be imprisoned for not exceeding one year, or by both such fine and imprisonment,

1 the fine and the imprisonment to be in addition to any other penalty provided by this chapter.

2 (d) The provisions of subsections (b) and (c) of this section shall not be exclusive, and  
3 shall be in addition to all other remedies which the tax administrator may employ in the  
4 enforcement and collection of taxes.

5 **44-30.4-40. Employer's failure to withhold.** -- If an employer fails to deduct and  
6 withhold Rhode Island personal income tax as required, and thereafter the employee's tax against  
7 which the tax may be credited is paid, the tax so required to be deducted and withheld shall not be  
8 collected from the employer, but the employer shall not be relieved from liability for any  
9 penalties, interest, or additions to the tax otherwise applicable in respect of the failure to deduct  
10 and withhold.

11 **44-30.4-41. Filing annual reconciliation of tax withheld.** -- A reconciliation of tax  
12 withheld must be filed by the employer with the division of taxation on or before February 28  
13 following the close of the calendar year in accordance with rules and regulations prescribed by  
14 the tax administrator.

15 **44-30.4-42. Notice of deficiency.** -- (a) General. If upon examination of a taxpayer's  
16 return the tax administrator determines that there is a deficiency, the administrator may mail a  
17 notice of deficiency to the taxpayer at his or her last known address in or out of this state. If a  
18 husband and wife are jointly liable for tax, a notice of deficiency may be a single joint notice,  
19 unless the tax administrator has been notified by either spouse that separate residences have been  
20 established, in which event a duplicate original of the joint notice shall be mailed to each spouse  
21 at his or her last known address in or out of this state. If a taxpayer has died or is under a legal  
22 disability, a notice of deficiency may be mailed to his or her last known address in or out of this  
23 state, unless the tax administrator has received notice of the existence of a fiduciary relationship  
24 with respect to the taxpayer.

25 (b) Notice of deficiency as assessment and demand for tax. After thirty (30) days from the  
26 mailing of a notice of deficiency, the notice shall be an assessment and a notice and demand for  
27 tax to be paid at the place and time specified in the notice, together with interest, additions to tax,  
28 and civil penalties stated in the notice, except only for any tax or other amounts as to which the  
29 taxpayer has within the thirty (30) day period filed with the tax administrator an "administrative  
30 petition" under § 44-30.4-50. If the notice of deficiency is addressed to a person outside of the  
31 United States, the period shall be one hundred fifty (150) days.

32 (c) Restrictions on assessment and levy. No assessment of a deficiency and no levy or  
33 proceeding in court for its collection shall be made, begun, or prosecuted, except as provided in §  
34 44-30.4-43(b), until a notice of deficiency has been mailed to the taxpayer, nor until the

1 expiration of the time for filing an administrative petition contesting the notice, nor, if an  
2 administrative petition with respect to the taxable year has been filed, until the tax administrator's  
3 decision has become final.

4 (d) *Waiver of restrictions.* The taxpayer may at any time, whether or not a notice of  
5 deficiency has been issued, by a signed notice in writing filed with the tax administrator waive in  
6 whole or in part the restrictions on deficiency assessments and collection.

7 (e) *"Deficiency" defined.* A "deficiency" means the correct amount of the tax less: (1) the  
8 amount shown as the tax upon the taxpayer's return (whether or not the return was made or the  
9 tax computed by the taxpayer), and less (2) the amounts previously assessed (or collected without  
10 assessment) as a deficiency, and plus (3) the amount of any rebates. For purposes of this  
11 definition, the tax shown on the return and the correct amount of the tax shall both be determined  
12 without regard to payments on account of estimated tax or the credit for withholding tax; and a  
13 rebate means so much of an abatement, credit, refund, or other repayment made on the ground  
14 that the amounts entering into the definition of a "deficiency" showed a balance in the taxpayer's  
15 favor.

16 (f) *Deficiency explanation.* All notices of deficiency shall explain the reasons why there is  
17 a deficiency together with a description of all penalties and any fines to be assessed.

18 **44-30.4-43. Assessment date.** -- (a) *General.* The amount of tax that a return shows to  
19 be due shall be deemed to be assessed upon the filing of the return, including any amended return  
20 showing an increase of tax. If a return was properly filed without computation of tax, the tax  
21 computed by the tax administrator shall be deemed to be assessed upon the date on which  
22 payment is due. If a notice of deficiency has been mailed, the amount of the deficiency shall be  
23 deemed to be assessed at the time provided in § 44-30.4-42(b) if no administrative petition is  
24 filed, or if an administrative petition is filed, then upon the date when a decision of the tax  
25 administrator establishing the amount of the deficiency becomes final. Any amount not  
26 previously assessed and which is paid as a tax or in respect of a tax shall be deemed to be  
27 assessed upon the receipt of the payment, notwithstanding any provisions otherwise restricting  
28 assessment.

29 (b) *Failure to file return.* If a taxpayer fails to file any required Rhode Island personal  
30 income tax return, the tax administrator is authorized to estimate the taxpayer's Rhode Island  
31 taxable income and tax thereon from any available information, and notwithstanding the  
32 restrictions of § 44-30.4-42(c) the tax, additions to tax, civil penalties, and interest shall be  
33 deemed to be assessed on the date of mailing to the taxpayer of notice of the assessment.

34 (c) *Other assessment powers.* The tax administrator may prescribe by regulations the

1 manner or time for the assessment of tax, interest, additions to tax, and assessable penalties if not  
2 otherwise provided for.

3 (d) Estimated income tax. No unpaid amount of estimated tax under § 44-30.4-29 shall be  
4 assessed.

5 **44-30.4-44. Limitations on assessment. -- (a) General.** Except as otherwise provided in  
6 this section the amount of the Rhode Island personal income tax shall be assessed within three (3)  
7 years after the return was filed, whether or not the return was filed on or after the prescribed date.  
8 For this purpose a tax return filed before the due date shall be considered as filed on the due date;  
9 and a return of withholding tax for any period ending with or within a calendar year filed before  
10 April 15 of the succeeding calendar year shall be considered filed on April 15 of the succeeding  
11 calendar year.

12 (b) Exceptions.

13 (1) Assessment at any time. The tax may be assessed at any time if:

14 (i) No return is filed;

15 (ii) A false or fraudulent return is filed with intent to evade tax; or

16 (iii) The taxpayer fails to file a report, pursuant to § 44-30.4-32, of a change, correction,  
17 or amended return, increasing his or her federal taxable income as reported on his or her federal  
18 income tax return or to report a change or correction which is treated in the same manner as if it  
19 were a deficiency for federal income tax purposes.

20 (2) Extension by agreement. Where, before the expiration of the time prescribed in this  
21 section for the assessment of tax, or before the time as extended pursuant to this section, both the  
22 tax administrator and the taxpayer have consented in writing to its assessment after that time, the  
23 tax may be assessed at any time prior to the expiration of the period agreed upon.

24 (3) Report of changed or corrected federal income. If the taxpayer shall, pursuant to §  
25 44-30.4-32, file an amended return, or report a change or correction increasing his or her federal  
26 taxable income or report a change or correction which is treated in the same manner as if it were a  
27 deficiency for federal income tax purposes, an assessment may be made at any time prior to two  
28 (2) years after the report or amended return was filed. This assessment of Rhode Island personal  
29 income tax shall not exceed the amount of the increase attributable to the federal change,  
30 correction, or items amended on the taxpayer's amended federal income tax return. The  
31 provisions of this paragraph shall not affect the time within which or the amount for which an  
32 assessment may otherwise be made.

33 (4) Deficiency attributable to net operating loss carryback. If a taxpayer's deficiency is  
34 attributable to an excessive net operating loss carryback allowance, it may be assessed at any time

1 that a deficiency for the taxable year of the loss may be assessed.

2 (5) Recovery of erroneous refund. An erroneous refund shall be considered to create an  
3 underpayment of tax on the date made. An assessment of a deficiency arising out of an erroneous  
4 refund may be made at any time within three (3) years thereafter, or at any time if it appears that  
5 any part of the refund was induced by fraud or misrepresentation of a material fact.

6 (6) Armed forces relief. For purposes of this tax, the date appearing in 26 U.S.C. § 692(a)  
7 shall be January 1, 1971.

8 (c) Omission of income on return. Notwithstanding the foregoing provisions of this  
9 section, the tax may be assessed at any time within six (6) years after the return was filed if an  
10 individual omits from his or her Rhode Island income an amount properly includible therein  
11 which is in excess of twenty-five percent (25%) of the amount of Rhode Island income stated in  
12 the return. For this purpose there shall not be taken into account any amount which is omitted in  
13 the return if the amount is disclosed in the return, or in a statement attached to the return, in a  
14 manner adequate to apprise the tax administrator of the nature and amount of the item.

15 (d) Suspension of limitation. The running of the period of limitations on assessment or  
16 collection of tax or other amount (or of a transferee's liability) shall, after the mailing of a notice  
17 of deficiency, be suspended for the period during which the tax administrator is prohibited under  
18 § 44-30.4-42(c) from making the assessment or from collecting by levy, and for sixty (60) days  
19 thereafter.

20 (e) Limitations exclusive. No period of limitations specified in any other law shall apply  
21 to the assessment or collection of Rhode Island personal income tax.

22 **44-30.4-45. Interest on underpayment. -- (a) General.**

23 (1) If any amount of Rhode Island personal income tax, including any amount of the tax  
24 withheld by an employer, is not paid on or before the due date, interest on the amount at the  
25 annual rate provided by § 44-1-7 shall be paid for the period from the due date to the date paid,  
26 whether or not any extension of time for payment was granted. The interest shall not be paid if its  
27 amount is less than two dollars (\$2.00).

28 (2) Interest prescribed under this section may be waived by the tax administrator in the  
29 event the underpayment results from the state's closing of banks and credit unions in which the  
30 taxpayer's monies are deposited and the taxpayer has no other funds from which to pay his or her  
31 tax.

32 (b) Estimated tax. If an individual fails to file a declaration of estimated Rhode Island  
33 personal income tax as required by § 44-30.4-28, or to pay any installment of the tax as required  
34 by § 44-30.4-29, the individual shall pay interest at the annual rate provided by § 44-1-7 for the

1 period the failure continues, until the fifteenth day of the fourth month following the close of the  
2 taxable year. The interest in respect of any unpaid installment shall be computed on the amount  
3 by which his or her actual payments and credits in respect of the tax are less than eighty percent  
4 (80%) of the installment at the time it is due. Notwithstanding the foregoing, no interest shall be  
5 payable if one of the exceptions specified in 26 U.S.C. § 6654(d)(1) or (2) would apply if the  
6 exceptions referred to the corresponding Rhode Island tax amounts and returns.

7 (c) *Payment prior to notice of deficiency.* If, prior to the mailing to the taxpayer of notice  
8 of deficiency under § 44-30.4-42, the tax administrator mails to the taxpayer a notice of proposed  
9 increase of tax and within thirty (30) days after the date of the notice of the proposed increase the  
10 taxpayer pays all amounts shown on the notice to be due to the tax administrator, no interest  
11 under this section on the amount so paid shall be imposed for the period after the date of the  
12 notice of proposed increase.

13 (d) *Payment within ten (10) days after notice and demand.* If notice and demand is made  
14 for payment of any amount, and the amount is paid within ten (10) days after the effective date of  
15 the notice and demand under § 44-30.4-42(b), interest under this section on the amount so paid  
16 shall not be imposed for the period after the date of the notice and demand.

17 (e) *Suspension of interest on deficiencies.* If a waiver of restrictions on assessment of a  
18 deficiency has been filed by the taxpayer, and if notice and demand by the tax administrator for  
19 payment of the deficiency is not made within thirty (30) days after the filing of the waiver,  
20 interest shall thereupon cease to accrue until the date of notice and demand.

21 (f) *Interest treated as tax.* Interest under this section shall be paid upon notice and  
22 demand and shall be assessed, collected, and paid in the same manner as the tax, except that  
23 interest under subsection (b) of this section may be assessed without regard to the restrictions of §  
24 44-30.4-42.

25 (g) *No interest on interest.* No interest shall be imposed on any interest provided in this  
26 section.

27 (h) *Interest on civil penalties and additions to tax.* Interest shall be imposed under  
28 subsection (a) of this section in respect of any assessable civil penalty or addition to tax only if  
29 the assessable penalty or addition to tax is not paid within fifteen (15) days from the effective  
30 date of notice and demand therefor under § 44-30.4-42(b), and in that case interest shall be  
31 imposed only for the period from the effective date of the notice and demand to the date of  
32 payment.

33 (i) *Tax reduced by carryback.* If the amount of tax for any taxable year is reduced by  
34 reason of a carryback of a net operating loss, the reduction in tax shall not affect the computation

1 of interest under this section for the period ending with the last day of the taxable year in which  
2 the net operating loss arises.

3 (j) Limitation on assessment or collection. Interest prescribed under this section may be  
4 assessed or collected at any time during the period within which the tax or other amount to which  
5 the interest relates may be assessed or collected.

6 (k) Interest on erroneous refund. Any portion of tax or other amount which has been  
7 erroneously refunded, and which is recoverable by the tax administrator, shall bear interest at the  
8 annual rate provided by § 44-1-7 from the date of the payment of the refund.

9 **44-30.4-46. Additions to tax and civil penalties. -- (a) Failure to file tax returns or to**  
10 **pay tax. In the case of failure:**

11 (1) To file the Rhode Island personal income tax return or the employer's withheld tax  
12 return on or before the prescribed date, unless it is shown that the failure is due to reasonable  
13 cause and not due to willful neglect, an addition to tax shall be made equal to five percent (5%) of  
14 the tax required to be reported if the failure is for not more than one month, with an additional  
15 five percent (5%) for each additional month or fraction thereof during which the failure  
16 continues, not exceeding twenty-five percent (25%) in the aggregate. For this purpose, the  
17 amount of tax required to be reported shall be reduced by an amount of the tax paid on or before  
18 the date prescribed for payment and by the amount of any credit against the tax which may  
19 properly be claimed upon the return;

20 (2) To pay the amount shown as tax on the personal income tax return on or before the  
21 prescribed date for payment of the tax (determined with regard to any extension of time for  
22 payment) unless it is shown that the failure is due to reasonable cause and not due to willful  
23 neglect, there shall be added to the amount shown as tax on the return five-tenths percent (0.5%)  
24 of the amount of the tax if the failure is for not more than one month, with an additional five-  
25 tenths percent (0.5%) for each additional month or fraction thereof during which the failure  
26 continues, not exceeding twenty-five percent (25%) in the aggregate; or

27 (3) To pay any amount in respect of any tax required to be shown on a return which is not  
28 so shown, including an assessment made as a result of mathematical error, within ten (10) days of  
29 the date of the notice and demand therefor, unless it is shown that the failure is due to reasonable  
30 cause and not due to willful neglect, there shall be added to the amount of tax stated in the notice  
31 and demand five-tenths percent (0.5%) of the amount of the tax if the failure is for not more than  
32 one month, with an additional five-tenths percent (0.5%) for each additional month or fraction  
33 thereof during which the failure continues, not exceeding twenty-five percent (25%) in the  
34 aggregate.

1           (b) Negligence. If any part of a deficiency is due to negligence or intentional disregard of  
2 the Rhode Island personal income tax law or rules or regulations under this section (but without  
3 intent to defraud), five percent (5%) of that part of the deficiency shall be added to the tax.

4           (c) Fraud. If any part of a deficiency is due to fraud, fifty percent (50%) of that part of  
5 the deficiency shall be added to the tax. This amount shall be in lieu of any other additional  
6 amounts imposed by subsections (a) and (b) of this section.

7           (d) Determination of deficiency. For purposes of subsections (b) and (c) of this section,  
8 the amount shown as the tax by the taxpayer upon his or her return shall be taken into account in  
9 determining the amount of the deficiency only if the return was filed on or before the last day  
10 prescribed for the filing of the return, determined with regard to any extension of time for the  
11 filing.

12           (e) Failure to collect and pay over tax. Any person required to collect, truthfully account  
13 for, and pay over the Rhode Island personal income tax who willfully fails to collect the tax or  
14 truthfully account for and pay over the tax or willfully attempts in any manner to evade or defeat  
15 the tax or the payment thereof, shall, in addition to other penalties provided by law, be liable to a  
16 civil penalty equal to the total amount of the tax evaded, or not collected, or not accounted for and  
17 paid over.

18           (f) Failure to file certain information returns. In case of each failure to file an  
19 information statement as required under authority of § 44-30.4-31(c) in respect of payments to  
20 another person, unless it is shown that the failure is due to reasonable cause and not to willful  
21 neglect, the person failing to file the required statement shall, upon notice and demand by the tax  
22 administrator made in the same manner as for tax, pay a civil penalty of one dollar (\$1.00) for  
23 each statement not so filed, but the total amount imposed on the delinquent person for all the  
24 failures during any calendar year shall not exceed one thousand dollars (\$1,000).

25           (g) Additions and penalties treated as tax. The additions to the tax and civil penalties  
26 provided by this section shall be paid upon notice and demand and shall be assessed, collected,  
27 and paid in the same manner as taxes, except that any additional amount under subsection (a) of  
28 this section, not attributable to a deficiency, may be assessed without regard to the restrictions of  
29 § 44-30.4-42.

30           (h) Bad checks. If any check or money order in payment of any amount receivable under  
31 this title is not duly paid, in addition to any other penalties provided by law, there shall be paid as  
32 a penalty by the person who tendered the check, upon notice and demand by the tax administrator  
33 or his or her delegate, in the same manner as tax, an amount equal to one percent (1%) of the  
34 amount of the check, except that if the amount of the check is less than five hundred dollars

1 (\$500), the penalty under this section shall be five dollars (\$5.00). This subsection shall not apply  
2 if the person tendered the check in good faith and with reasonable cause to believe that it would  
3 be duly paid.

4 (i) "Person" defined. As used in this section, the term "person" includes an officer or  
5 employee of a corporation, including a dissolved corporation, or a member or employee of a  
6 partnership, who as an officer, employee, or member is under a duty to perform the act in respect  
7 of which the violation occurs.

8 **44-30.4-47. Overpayment.** -- (a) *General.* The tax administrator within the applicable  
9 period of limitations may credit an overpayment against any liability of the taxpayer in respect of  
10 the Rhode Island personal income tax, and the balance shall be refunded by the general treasurer.  
11 A payment for a year of no liability shall be considered an overpayment. Any refund under this  
12 section shall be made only upon a certificate of the tax administrator approved by the director of  
13 administration. In no case shall the filing of a protest constitute a condition to a later credit or  
14 refund of Rhode Island personal income tax.

15 (b) Excessive withholding. If the amount allowable as a credit for tax withheld from the  
16 taxpayer exceeds his or her tax to which the credit relates, the excess shall be considered an  
17 overpayment and shall be adjusted or refunded in any manner and time that the tax administrator  
18 may prescribe.

19 (c) Credits against estimated tax. The tax administrator may promulgate regulations  
20 providing for the crediting against the Rhode Island personal income tax for any taxable year of  
21 the amount determined by the taxpayer or the tax administrator to be an overpayment of the  
22 income tax for a preceding taxable year. If any overpayment of the tax is so claimed as a credit  
23 against estimated tax for the succeeding taxable year, the amount shall be considered as a  
24 payment of the tax for the succeeding taxable year, whether or not claimed as a credit in the  
25 declaration of estimated tax for the succeeding taxable year, and no claim for credit or refund of  
26 the overpayment shall be allowed for the taxable year for which the overpayment arises.

27 (d) Assessment and collection after limitation period. If any amount of tax is assessed or  
28 collected after the expiration of the period of limitation properly applicable thereto, the amount  
29 shall be considered an overpayment.

30 **44-30.4-48. Limitations on credit or refund.** -- (a) *General.* Claim for credit or refund  
31 of an overpayment of tax shall be filed by the taxpayer within three (3) years from the time the  
32 return was filed or two (2) years from the time the tax was paid, whichever of these periods  
33 expires the later, or if no return was filed by the taxpayer, within two (2) years from the time the  
34 tax was paid. If the claim is filed within the three (3) year period, the amount of the credit or

1 refund shall not exceed the portion of the tax paid within the three (3) year period. If the claim is  
2 not filed within the three (3) year period, but is filed within the two (2) year period, the amount of  
3 the credit or refund shall not exceed the portion of the tax paid during the two (2) years  
4 immediately preceding the filing of the claim. Except as otherwise provided in this section, if no  
5 claim is filed, the amount of a credit or refund shall not exceed the amount which would be  
6 allowable if a claim has been filed on the date the credit or refund is allowed.

7 (b) Extension of time by agreement. If an agreement under § 44-30.4-44(b)(2) extending  
8 the period for assessment of tax is made within the period prescribed in subsection (a) of this  
9 section for the filing of a claim for credit or refund, the period for filing a claim for credit or  
10 refund, or for making credit or refund if no claim is filed, shall not expire prior to six (6) months  
11 after the expiration of the period within which an assessment may be made pursuant to the  
12 agreement or any extension of it thereof. The amount of the credit or refund shall not exceed the  
13 portion of the tax paid after the execution of the agreement and before the filing of the claim or  
14 the making of the credit or refund, as the case may be, plus the portion of the tax paid within the  
15 period which would be applicable under subsection (a) of this section if a claim had been filed on  
16 the date the agreement was executed.

17 (c) Notice of change or correction of federal income. If a taxpayer is required by § 44-  
18 30.4-32 to file a report of a change or correction or amended return decreasing the federal taxable  
19 income reported on his or her federal income tax return, or to report a change or correction which  
20 is treated in the same manner as if it were an overpayment for federal income tax purposes, claim  
21 for credit or refund of an overpayment of tax shall be filed by the taxpayer within two (2) years  
22 from the time the report of the change or correction or the amended return was required to be  
23 filed. If a report or amended return required by § 44-30.4-32 is not filed within the ninety (90)  
24 day period specified in that section, interest on any resulting refund or credit shall cease to accrue  
25 on the ninetieth day. The amount of the credit or refund shall not exceed the amount of the  
26 reduction in Rhode Island personal income tax attributable to the federal change, correction, or  
27 items amended on the taxpayer's amended federal income tax return. This subsection shall not  
28 affect the time within which or the amount for which a claim for credit or refund may otherwise  
29 be filed.

30 (d) Overpayment attributable to net operating loss carryback. If an overpayment is  
31 attributable to the application to the taxpayer of a net operating loss carryback, a claim for credit  
32 or refund shall be filed within three (3) years from the time the return was due for the taxable year  
33 of the loss.

34 (e) Failure to file claim within prescribed period. No credit or refund shall be allowed or

1 made, except as provided in subsection (f) of this section, after the expiration of the applicable  
2 period of limitation unless a claim for credit or refund is filed by the taxpayer within that period  
3 or unless the tax administrator determines under subsection (f) of this section that the taxpayer  
4 has made an overpayment. Any later credit shall be void and any later refund erroneous. No  
5 period of limitations specified in any other law shall apply to the recovery by a taxpayer of  
6 moneys paid in respect of Rhode Island personal income tax.

7 (f) Effect of filing administrative petition. If a notice of deficiency for a taxable year has  
8 been mailed to the taxpayer under § 44-30.4-42 and if the taxpayer files a timely petition with the  
9 tax administrator, the tax administrator may determine that the taxpayer has made an  
10 overpayment for that year, whether or not a deficiency is also determined for that year, and no  
11 separate claim for credit or refund for that year shall be filed and no separate credit or refund for  
12 that year shall be allowed or made, except:

13 (1) As to overpayment determined by a decision of the tax administrator which has  
14 become final;

15 (2) As to any amount collected in excess of an amount computed in accordance with the  
16 decision of the tax administrator which has become final;

17 (3) As to any amount collected after the period of limitation upon the making of levy for  
18 collection has expired; and

19 (4) As to any amount claimed as a result of a change or correction described in subsection  
20 (c) of this section.

21 (g) Limit on amount of credit or refund. The amount of overpayment determined under  
22 subsection (f) of this section shall, when the decision of the tax administrator has become final, be  
23 credited or refunded in accordance with § 44-30.4-47(a) and shall not exceed the amount of tax  
24 which the tax administrator determines as part of his or her decision was paid:

25 (1) After the mailing of the notice of deficiency; or

26 (2) Within the period which would be applicable under subsection (a), (b), or (c) of this  
27 section, if on the date of the mailing of the notice of deficiency a claim had been filed, whether or  
28 not filed, stating the grounds upon which the tax administrator finds that there is an overpayment.

29 (h) Early return. For purposes of this section, any return filed before the last day  
30 prescribed for the filing of the return is considered as filed on that last day, determined without  
31 regard to any extension of time granted the taxpayer.

32 (i) Prepaid income tax. For purposes of this section, any income tax withheld from the  
33 taxpayer during any calendar year and any amount paid as estimated income tax for a taxable year  
34 is deemed to have been paid by the taxpayer on the fifteenth day of the fourth month following

1 the close of his or her taxable year with respect to which the amount constitutes credit or  
2 payment.

3 (j) Return and payment of withholding tax. Notwithstanding subsection (h) of this section,  
4 for purposes of this section with respect to any withholding tax:

5 (1) If a return for any period ending with or within a calendar year is filed before April 15  
6 of the succeeding calendar year, the return is considered filed on April 15 of the succeeding  
7 calendar year; and

8 (2) If a tax with respect to remuneration paid during any period ending with or within a  
9 calendar year is paid before April 15 of the succeeding calendar year, the tax is considered paid  
10 on April 15 of the succeeding calendar year.

11 (k) Cross reference. See § 44-30.4-47(c), barring refund of overpayment credited against  
12 tax of a succeeding year.

13 **44-30.4-49. Interest on overpayment. -- (a) General.** Interest shall be allowed and paid  
14 as follows at the annual rate provided by § 44-1-7 upon any overpayment in respect of Rhode  
15 Island personal income tax:

16 (1) From the date of the overpayment to a date, to be determined by the tax administrator,  
17 preceding the date of a refund check by not more than thirty (30) days, whether or not the refund  
18 check is accepted by the taxpayer after tender of the check to the taxpayer. The acceptance of the  
19 check shall be without prejudice to any right of the taxpayer to claim any additional overpayment  
20 and interest thereon;

21 (2) From the date of the overpayment to the due date of an amount against which a credit  
22 is taken. No interest shall be allowed or paid if the amount is less than two dollars (\$2.00).

23 (b) Date of payment. The provisions of § 44-30.4-48(h) and (i) applicable in determining  
24 the date of payment of tax for purposes of determining the period of limitation on credit or  
25 refund, shall be applicable in determining the date of payment for purposes of this section.

26 (c) Income tax refund within ninety (90) days of due date of tax If any overpayment of  
27 Rhode Island personal income tax is refunded within ninety (90) days after the last prescribed  
28 date, or permitted by extension of time, for filing the return of the tax, or within ninety (90) days  
29 after the return is in fact filed, no interest is allowed under this section on the overpayment.

30 (d) Refund of tax caused by carryback of loss. For purposes of this section, if any  
31 overpayment of Rhode Island personal income tax results from a carryback of a net operating  
32 loss, the overpayment is deemed not to have been made prior to the close of the taxable year in  
33 which such net operating loss arises.

34 (e) Cross reference. See § 44-30.4-48(c), terminating interest after failure to file notice of

1 federal change under § 44-30.4-32.

2 **44-30.4-50. Administrative petition. --** *(a) Petition for redetermination of a deficiency.*

3 Within thirty (30) days, or one hundred fifty (150) days if the notice is addressed to a person  
4 outside of the United States, after the mailing of the notice of deficiency under § 44-30.4-42, the  
5 taxpayer may file an administrative petition with the tax administrator for a redetermination of the  
6 deficiency. The petition may also assert a claim for refund for the same taxable year or years,  
7 subject to the limitations of § 44-30.4-48(g).

8 *(b) Petition for refund.* A taxpayer may file a petition to the tax administrator for the  
9 amounts asserted in a claim for refund if:

10 (1) The taxpayer has filed a timely claim for refund with the tax administrator;

11 (2) The taxpayer has not previously filed a petition with the tax administrator for  
12 redetermination of a deficiency for the taxable year (except where the claim for refund relates to a  
13 report of change or correction or amended return required to be filed under § 44-30.4-32); and

14 (3) Either: (i) six (6) months have expired since the claim was filed, or (ii) the tax  
15 administrator has mailed to the taxpayer a notice of disallowance of the claim in whole or in part.  
16 No petition under this subsection shall be filed more than two (2) years after the date of mailing  
17 of a notice of disallowance. The foregoing two (2) year period may be extended by written  
18 agreement between the taxpayer and the tax administrator.

19 *(c) Procedural rules.* The form of a petition to the tax administrator, and further  
20 proceedings before the administrator in any case initiated by the filing of an administrative  
21 petition, shall be governed by rules to be established by the tax administrator. No administrative  
22 petition shall be denied in whole or in part without an opportunity for a hearing having been  
23 provided the taxpayer by the tax administrator or by a hearing officer designated by the tax  
24 administrator to decide the case. At any hearing, the taxpayer may present any evidence that may  
25 be relevant, and the tax administrator or the hearing officer shall redetermine the correct amount  
26 of the tax.

27 *(d) Assertion of deficiency after filing petition.*

28 *(1) Petition for redetermination of deficiency.* If a taxpayer files with the tax  
29 administrator a petition for redetermination of a deficiency, the tax administrator shall have  
30 power to determine a greater deficiency than asserted in the notice of deficiency and to determine  
31 if any addition to tax, or civil penalty, as provided in § 44-30.4-46, should be assessed, if claim  
32 therefor is asserted at or before the hearing under rules of the tax administrator.

33 *(2) Petition for refund.* If the taxpayer files with the tax administrator a petition for credit  
34 or refund for a taxable year, the tax administrator may:

1 (i) Determine a deficiency for that year as to any amount of deficiency asserted at or  
2 before the hearing under rules of the tax administrator and within the period in which a notice of  
3 deficiency would be timely under § 44-30.4-44; or

4 (ii) Set off or deny so much of the amount for which credit or refund is sought,  
5 notwithstanding the expiration of any period of limitations as the tax administrator could  
6 otherwise have set off or denied for the same taxable year, provided the tax administrator has  
7 asserted the same at or before the hearing.

8 (e) Burden of proof. In any case before the tax administrator the burden of proof shall be  
9 upon the petitioner except as to the following issues:

10 (1) Whether the petitioner has been guilty of fraud with intent to evade tax;

11 (2) Whether the petitioner is liable as the transferee of property of a taxpayer, but not to  
12 show that the taxpayer was liable for the tax; and

13 (3) Whether the petitioner is liable for any increase in a deficiency where the increase is  
14 asserted initially after a notice of deficiency was mailed and petition under this section filed,  
15 unless the increase in deficiency is the result of an amended return, change, or correction of  
16 federal taxable income, required to be reported under § 44-30.4-32, and of which the tax  
17 administrator had no notice at the time the notice of deficiency was mailed.

18 (f) Related federal determination. Consideration may be given to a federal determination  
19 relating to issues raised in a case before the tax administrator.

20 **44-30.4-51. Review of tax administrator's decision.** -- (a) General. Any taxpayer  
21 aggrieved by the decision of the tax administrator or his or her designated hearing officer as to his  
22 or her Rhode Island personal income tax may within thirty (30) days after notice of the decision is  
23 sent to the taxpayer by certified or registered mail, directed to his or her last known address,  
24 petition the sixth division of the district court pursuant to chapter 8 of title 8 setting forth the  
25 reasons why the decision is alleged to be erroneous and praying relief therefrom. Upon the filing  
26 of any complaint, the clerk of the court shall issue a citation, substantially in the form provided in  
27 § 44-5-26 to summon the tax administrator to answer the complaint, and the court shall proceed  
28 to hear the complaint and to determine the correct amount of the liability as in any other action  
29 for money, but the burden of proof shall be as specified in § 8-8-28.

30 (b) Judicial review sole remedy of taxpayer. The review of a decision of the tax  
31 administrator provided by this section shall be the exclusive remedy available to any taxpayer for  
32 the judicial determination of the liability of the taxpayer for Rhode Island personal income tax.

33 (c) Date of finality of tax administrator's decision. A decision of the tax administrator  
34 shall become final upon the expiration of the time allowed for petitioning the district court if no

1 timely petition is filed, or upon the final expiration of the time for further judicial review of the  
2 case.

3 **44-30.4-52. Mailing rules – Holidays.** -- (a) Timely mailing. If any claim, statement,  
4 notice, petition, or other document, other than a return or a declaration of estimated tax, required  
5 to be filed within a prescribed period or on or before a prescribed date under authority of any  
6 provision of the Rhode Island personal income tax law is, after that period or date, delivered by  
7 United States registered or certified mail to the tax administrator, office, officer, or person with  
8 which or with whom the document is required to be filed, the date on which the document is  
9 dated by the post office shall be deemed to be the date of delivery. This subsection shall apply  
10 only if the date falls within the prescribed period or on or before the prescribed date for the filing  
11 of the document, determined with regard to any extension granted for the filing, and only if the  
12 document was, within the prescribed time, deposited in the mail in the United States postage  
13 prepaid and properly addressed. If any document is sent by United States registered or certified  
14 mail, the registration or certification shall be prima facie evidence that the document was  
15 delivered to the tax administrator, office, officer, or person to which or to whom addressed.

16 (b) Last day a Saturday, Sunday, or legal holiday. When the last day prescribed under  
17 authority of the Rhode Island personal income tax law, including any extension of time, for  
18 performing any act falls on Saturday, Sunday, or a Rhode Island legal holiday, the performance of  
19 the act shall be considered timely if it is performed on the next succeeding day which is not a  
20 Saturday, Sunday or Rhode Island legal holiday.

21 **44-30.4-53. Collection, levy, and lien.** -- (a) Collection procedures. The tax  
22 administrator shall receive and collect the Rhode Island personal income tax in the same manner  
23 and with the same powers as are prescribed for, and given to collectors of taxes by chapters 1, 7,  
24 8, and 9 of this title. The administrator may establish the manner of time for the collection of any  
25 tax amount due if not otherwise specified. The administrator shall, upon request, give a receipt for  
26 any sum collected as Rhode Island personal income tax. The administrator may authorize banks  
27 or trust companies doing business in the state as depositaries to receive any part of the tax in any  
28 manner, at any times, and under any conditions that the administrator may prescribe; and the  
29 administrator shall prescribe the manner, times, and conditions under which the receipt of the tax  
30 by the banks and trust companies is to be treated as payment of the tax.

31 (b) Notice and demand for tax. The tax administrator shall, except as provided in § 44-  
32 30.4-42(b), as soon as practicable after the making of an assessment of a tax, give notice to each  
33 person liable for any unpaid tax, stating the amount and demanding payment thereof. The notice  
34 may be left at the dwelling or usual place of business of the person or shall be sent by mail to the

1 person's last known address. If any tax is assessed prior to the last date (including any date fixed  
2 by extension) prescribed for payment of the tax, payment of the tax shall not be demanded until  
3 after the date.

4 (c) Collection by writ of execution. If any tax or penalty imposed by this chapter is not  
5 paid within thirty (30) days after assessment is made and notice and demand for it therefor is  
6 given, the tax administrator in addition to any other powers provided by law may within three (3)  
7 years thereafter petition the sixth division of the district court for a writ of execution, setting forth  
8 the nonpayment of the tax or penalty. The court shall thereupon appoint a time for a hearing and  
9 shall cause a reasonable notice thereof to be given to the adverse party, and at the time and place  
10 of the return of the notice shall proceed summarily to hear the parties. If upon the hearing it  
11 appears that the tax or penalty is unpaid, the court shall immediately issue an execution for the  
12 collection of the tax or penalty, which shall run to the sheriffs, or their deputies, of the several  
13 counties of this state, and in which the officer making service of the execution shall be  
14 commanded to levy upon such property of the taxpayer as may be taken on execution. The officer  
15 charged with the service of the execution shall serve the execution as commanded, and shall sell  
16 the property seized thereon as property is sold when taken on executions in actions at law, or the  
17 court shall take any other action that it may deem proper to enforce the payment of the tax by the  
18 appointment of a receiver of the property of the taxpayer or otherwise. A party aggrieved by a  
19 final order of the court may seek review thereof in the supreme court by writ of certiorari in  
20 accordance with the procedures contained in § 42-35-16.

21 (d) Lien on real estate. The provisions of § 44-19-21 shall apply to Rhode Island personal  
22 income tax assessed under this chapter.

23 **44-30.4-54. Transferees. -- (a) General.** The amount of liability of a transferee of  
24 property of a taxpayer for any Rhode Island personal income tax shall be assessed, paid, and  
25 collected in the same manner and subject to the same provisions and limitations as in the case of  
26 the tax to which the liability relates, except that the period of limitations for assessment against  
27 the transferee shall be extended by one year for each successive transfer, in order, from the  
28 original taxpayer to the transferee involved, but not by more than three (3) years in the aggregate.  
29 The term "transferee" includes donee, heir, legatee, devisee, and distributee.

30 (b) Exceptions.

31 (1) If before the expiration of the period of limitations for assessment of the amount of  
32 liability of the transferee, a claim has been filed by the tax administrator in any court proceeding  
33 against the original taxpayer or the last preceding transferee based upon the liability of the  
34 original taxpayer, then the period of limitation for the assessment shall in no event expire prior to

1 one year after the court proceeding terminates.

2 (2) If before the expiration of the time prescribed in subsection (a) of this section for the  
3 assessment of the amount of liability, the tax administrator and the transferee have both  
4 consented, in writing, to its assessment after that time, the amount may be assessed at any time  
5 prior to the expiration of the period agreed upon. The period so agreed upon may be extended by  
6 subsequent agreements in writing made before the expiration of the period previously agreed  
7 upon. For the purpose of determining the period of limitation on credit or refund to the transferee  
8 of overpayments of tax made by the transferee or overpayments of tax made by the transferor of  
9 which the transferee is legally entitled to credit or refund, the agreement and any extension  
10 thereof shall be deemed an agreement and extension thereof referred to in § 44-30.4-48(b). If the  
11 agreement is executed after the expiration of the period of limitation for assessment against the  
12 original taxpayer, then in applying the limitations under § 44-30.4-48(b) on the amount of the  
13 credit or refund, the periods specified in § 44-30.4-48(a) shall be increased by the period from the  
14 date of the expiration to the date of the agreement.

15 (c) Deceased transferor. If any person is deceased, the period of limitation for assessment  
16 against the person shall be the period that would be in effect if the person had lived.

17 (d) Evidence. The tax administrator shall make available evidence in his or her possession  
18 to the transferee so as to enable the transferee to determine the liability of the original taxpayer  
19 and of any preceding transferees.

20 **44-30.4-55. Criminal penalties.** -- (a) Any individual or other person shall be guilty of a  
21 felony and upon conviction shall be fined not more than ten thousand dollars (\$10,000), or  
22 imprisoned not more than one year, or both:

23 (1) For any willful attempt in any manner (including the willful delivery, disclosure, or  
24 filing of any false or fraudulent return, account, document, or statement) to evade the Rhode  
25 Island personal income tax;

26 (2) For any willful failure to file within the time required any return or document required  
27 to be filed in respect of Rhode Island personal income tax; or

28 (3) For any willful failure to collect, truthfully account for, or pay over any amount  
29 required to be withheld by an employer from an employee in respect of Rhode Island personal  
30 income tax.

31 (b) Any individual or other person who derives income, directly or indirectly, from  
32 violations of the Rhode Island Controlled Substance Act, chapter 28 of title 21, and fails to report  
33 this income as enumerated below shall be guilty of a felony and upon conviction shall be fined  
34 not more than twenty-five thousand dollars (\$25,000), or imprisoned not more than twenty (20)

1 years, or both:

2 (1) For any willful attempt in any manner, including the willful delivery, disclosure, or  
3 filing of any false or fraudulent return, account, document, or statement, to evade the Rhode  
4 Island personal income tax;

5 (2) For any willful failure to file within the time required any return or document required  
6 to be filed in respect of Rhode Island personal income tax;

7 (3) For any willful failure to collect, truthfully account for, or pay over any amount  
8 required to be withheld by an employer from an employee in respect of Rhode Island personal  
9 income tax.

10 (c) In addition to the criminal penalties provided in this section, any individual who,  
11 pursuant to the provisions of subsection (b) of this section, fails to report income derived from  
12 any violation of the Rhode Island Uniform Controlled Substance Act, chapter 28 of title 21, shall  
13 be liable for all taxes, penalties, and interest as provided in this chapter. The individual shall be  
14 proceeded against by the tax administrator and twenty percent (20%) of any sums recovered by  
15 the tax administrator, including interest and penalties, shall be forwarded to the state treasurer  
16 who shall deposit the sums according to the provisions established in § 21-28-5.04 and use the  
17 funds in accordance with the forfeiture provisions of that section.

18 (d) Notwithstanding the provisions of § 12-12-17, no person shall be convicted of a  
19 violation of the provisions of this subsection unless an indictment is found or an information is  
20 filed against the person within seven (7) years from the time of committing the violation. The tax  
21 administrator and the attorney general shall cooperate in accordance with existing law.

22 **44-30.4-56. General powers of tax administrator.--** *(a) General.* The tax administrator  
23 shall administer and enforce the Rhode Island personal income tax and is authorized to make any  
24 rules and regulations, and to require any facts and information to be reported, that he or she may  
25 deem necessary to enforce the tax. The provisions of chapter 1 of this title relating to the tax  
26 administrator shall be applicable to the Rhode Island personal income tax.

27 *(b) Examination of books and witnesses.* The tax administrator, for the purpose of  
28 ascertaining the correctness of any return, or for the purpose of making an estimate of Rhode  
29 Island income of any person where information has been obtained, shall have the power to  
30 examine or to cause to have examined, by any agent or representative designated by the tax  
31 administrator for that purpose, any books, papers, records, or memoranda bearing upon the  
32 matters required to be included in the return, and may require the attendance of the person  
33 rendering the return or any officer or employee of the person, or the attendance of any other  
34 person having knowledge in the premises, and may take testimony and require proof material for

1 its information, with power to administer oaths to the person or persons.

2 (c) Secrecy requirement. It shall be unlawful for any state official or employee to divulge  
3 or to make known to any person in any manner whatever not provided by law the amount or  
4 source of income, profits, losses, expenditures, or any particular of them set forth or disclosed in  
5 any return, or to permit any return or copy of the return or any book containing any abstract or  
6 particulars thereof to be seen or examined by any person except as provided by law. It shall be  
7 unlawful for any person to print or publish in any manner whatever not provided by law any  
8 return or any part thereof or source of income, profits, losses, or expenditures appearing in any  
9 return. Any offense against the foregoing provision shall be punished by a fine not exceeding one  
10 thousand dollars (\$1,000), or by imprisonment not exceeding one year, or both, at the discretion  
11 of the court. If the offender is an officer or employee of the state of Rhode Island, the offender  
12 may be dismissed from office or discharged from employment.

13 (d) Interstate and federal agreements. The governor or the tax administrator may enter  
14 into agreements with tax officials of other states and the federal government to provide for the  
15 exchange of information and to apportion or otherwise equitably determine taxes for the purposes  
16 of carrying out the provisions of § 44-30.4-5(d) and otherwise avoiding multiple taxation.

17 (e) Income tax claims of other states. The courts of this state shall recognize and enforce  
18 liabilities for personal income taxes lawfully imposed by any other state which extends a like  
19 comity to this state, and the duly authorized officer of any other state may sue for the collection  
20 of a tax in the courts of this state. A certificate by the secretary of state of the other state that an  
21 officer suing for the collection of a tax is duly authorized to collect the tax shall be conclusive  
22 proof of that authority. For the purposes of this section, the word "taxes" shall include additions  
23 to tax, interest, and penalties, and liability for taxes, additions to tax, interest and penalties shall  
24 be recognized and enforced by the courts of this state to the same extent that the laws of the other  
25 state permit the enforcement in its courts of liability for taxes, additions to tax, interest, and  
26 penalties due this state under this part.

27 (f) Small tax balances. The tax administrator is authorized to abate the unpaid portion of  
28 the assessment of any tax, or any liability in respect thereof, if the administrator determines under  
29 uniform rules prescribed by him or her that the administration and collection costs involved  
30 would not warrant collection of the amount due.

31 (g) Limited disclosure of information – Retirement board. The tax administrator shall  
32 disclose to the retirement board of the state of Rhode Island information needed by the board to  
33 implement the provisions of §§ 36-10-17 and 45-21-24. The content and nature of the information  
34 to be disclosed shall be determined and approved by the tax administrator and shall be kept

1 confidential by the board.

2 (h) Limited disclosure of information – Jury Commissioner. The tax administrator shall  
3 disclose to the jury commissioners of the State of Rhode Island information needed by him or her  
4 to implement provisions of § 9-9-1(d).

5 **44-30.4-56.1. Rules and regulations. --** The tax administrator is authorized to make any  
6 rules and regulations with relation to the matters contained in this chapter that may be required to  
7 prevent the avoidance of income tax and prevent the imposition of income tax in cases where it is  
8 not legally payable under the provisions of those sections.

9 **44-30.4-57. Severability. --** If any provision of this chapter or the application thereof  
10 shall for any reason be judged invalid, that judgment shall not affect, impair, or invalidate the  
11 remainder of the law, but shall be confined in its effect to the provision or application directly  
12 involved in the controversy giving rise to the judgment.

13 SECTION 2. This act shall take effect upon passage.

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