



Rhode Island Department of Revenue

Division of Taxation

ADV 2016-30
TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS
DECEMBER 13, 2016

Inflation-adjusted amounts set for tax year 2017 *Changes in standard deduction amounts, tax tables, other items*

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today announced the standard deduction amounts, tax bracket ranges, and other key figures for the Rhode Island personal income tax for tax years beginning on or after January 1, 2017.

The inflation-adjusted amounts apply for tax year 2017, and therefore will not appear on tax returns until early 2018 (covering the 2017 tax year). Nevertheless, they are important to know now for tax-planning purposes.

The inflation-adjusted numbers will also aid tax professionals and taxpayers throughout 2017 as they make any needed adjustments to withholding or estimated payments, or for other purposes. The inflation-adjusted amounts are presented in the following tables.

Rhode Island standard deduction amounts		
Filing status	2016	2017
Single	\$8,300	\$8,375
Married filing jointly*	\$16,600	\$16,750
Head of household	\$12,450	\$12,550
Married filing separately	\$8,300	\$8,375

* Or qualifying widow or widower.
Note: Amounts are determined based on inflation figures calculated by U.S. Bureau of Labor Statistics and applied to formulas under Rhode Island General Laws § 44-30-2.6.

Rhode Island personal and dependency exemption amounts	
2016	2017
\$3,900	\$3,900

Note: Exemption amount is unchanged for 2017.

Most taxpayers are able to claim the full amount of their applicable standard deduction. The same is true for personal exemptions and dependency exemptions. However, if a taxpayer's federal adjusted gross income (as modified for Rhode Island tax purposes) falls within a certain income range, the standard deduction amount – and the personal and dependency exemption amounts – are limited.

If income exceeds the range, the taxpayer cannot claim a standard deduction or personal or dependency exemption amount. The income ranges are listed in the following table.

Phase-out range for standard deduction, exemption amounts	
2016	2017
\$193,600 to \$215,800	\$195,150 to \$217,350

Personal income tax: uniform rate schedule

The Division of Taxation has recalculated tax bracket ranges for tax year 2017, as required by statute. The changes were made to the Rhode Island personal income tax's uniform tax rate schedule, which is used by all filers.

If the dollar figures in tax brackets remained constant, a taxpayer might be bumped into a higher bracket solely because of an annual wage increase that is intended to help the worker keep pace with inflation -- an outcome often referred to as "bracket creep." To help offset the effects of bracket creep, the General Assembly adopted a provision that requires the tax brackets to be adjusted annually with inflation. (Standard deduction and exemption amounts are adjusted in similar fashion.) The effect can be seen in the following two tables: one for tax year 2016, the other for tax year 2017.

Uniform tax rate schedule for tax year 2016 (personal income tax)

Taxable income:

Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 60,850	\$ --	3.75%	\$ 0
60,850	138,300	2,281.88	4.75%	60,850
138,300	--	5,960.75	5.99%	138,300

Uniform tax rate schedule for tax year 2017 (personal income tax)

Taxable income:

Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 61,300	\$ --	3.75%	\$ 0
61,300	139,400	2,298.75	4.75%	61,300
139,400	--	6,008.50	5.99%	139,400

Trusts and estates: income tax rate schedule

The Division of Taxation has posted the income tax rate schedule for 2017 that will be used by fiduciaries for many trusts and estates. It is as follows:

Income tax rate schedule for tax year 2017 (trusts and estates)

Taxable income:

Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 2,450	\$ --	3.75%	\$ 0
2,450	7,800	91.88	4.75%	2,450
7,800	--	346.00	5.99%	7,800

Table is for non-grantor trusts and non-bankruptcy estates. To calculate income tax for grantor trusts and bankruptcy estates, use personal income tax table.

Withholding tables, W-4 withholding certificate

The Division of Taxation has posted on its website the booklet of income tax withholding tables for tax year 2017. Employers use the tables to calculate how much to withhold from an employee's pay for Rhode Island personal income tax purposes. Following is a link:

<http://www.tax.ri.gov/forms/2017/Withholding/2017%20Withholding%20Tax%20Booklet.pdf>

The booklet also includes a copy of the 2017 version of Form RI W-4, "Employee's Withholding Allowance Certificate." Following is a link:

<http://www.tax.ri.gov/forms/2017/Withholding/RI%20W-4%202017.pdf>

FOR MORE INFORMATION

To reach the Rhode Island Division of Taxation, call the Division's main phone line at (401) 574-8829. The Division is normally open to the public from 8:30 a.m. to 3:30 p.m. business days, and is located at One Capitol Hill in Providence, in the Powers Building, which is diagonally across Smith Street from the State House. For forms, instructions, and other information, see the Division website: www.tax.ri.gov. For a list of phone numbers and email addresses of specific sections within the agency, see: www.tax.ri.gov/contact/