



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

November 8, 2013

ADV 2013-24

Advisory:

Inflation-adjusted amounts for tax year 2014

The Rhode Island Division of Taxation has set the standard deduction amounts, exemption amounts, tax bracket ranges, and other key figures for tax year 2014.

The information is important now for tax-planning purposes. The figures will also provide help for taxpayers throughout 2014 as they make any needed adjustments to withholding or estimated payments, or for other purposes. Following is a summary.

Standard deduction, exemption amounts

For Rhode Island's personal income tax, the standard deduction and exemption amounts will increase for 2014 by more than 1 percent.

Standard deduction amounts		
Filing status:	For 2013:	For 2014:
single ¹	\$ 8,000	\$ 8,100
married filing jointly	16,000	16,250
head of household	12,000	12,200
married filing separately ¹	8,000	8,100

¹ – Standard deduction amounts for "single" and "married filing separately" are typically one-half the amount for "married filing jointly" – but are slightly less than half for 2014 due to rounding. (Amounts are determined based on inflation figures calculated by U.S. Bureau of Labor Statistics and inserted in formulas established under Rhode Island General Laws § 44-30-2.6.)

Personal and dependency exemption amounts		
	For 2013:	For 2014:
	\$ 3,750	\$ 3,800

Personal income tax: phase-out range

Most taxpayers are able to claim the full amount of the standard deduction to which they are entitled. 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 table below:

Phase-out range for standard deduction, exemption amounts		
	Tax year 2013:	Tax year 2014:
	\$186,550 to \$207,950	\$189,700 to \$211,300

Personal income tax: rate schedule

The Division of Taxation has recalculated tax bracket ranges for tax year 2014, as required by statute. The recalculations, to reflect inflation, boost the dollar figures in each bracket by about 1.7 percent compared with tax year 2013. The changes were made to the Rhode Island personal income tax's uniform tax rate schedule – which is used by all filers.

Rhode Island personal income tax: uniform tax rate schedule for 2013				
Taxable income:				
Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 58,600	\$ --	3.75%	\$ 0
58,600	133,250	2,197.50	4.75%	58,600
133,250	--	5,743.38	5.99%	133,250

Applies to tax year 2013

Rhode Island personal income tax: uniform tax rate schedule for 2014				
Taxable income:				
Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 59,600	\$ --	3.75%	\$ 0
59,600	135,500	2,235.00	4.75%	59,600
135,500	--	5,840.25	5.99%	135,500

Applies to tax year 2014

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.

Trusts and estates: income tax rate schedule

The Division of Taxation has posted the income tax rate schedule for 2014 that will be used by fiduciaries for many trusts and estates. It is as follows:

Trusts and estates: income tax rate schedule for 2014				
Taxable income:				
Over	But not over	Pay	+ percent on excess	of the amount over
\$ 0	\$ 2,400	\$ --	3.75%	\$ 0
2,400	7,600	90.00	4.75%	2,400
7,600	--	337.00	5.99%	7,600

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.

Tax news in brief

Regulations: The Division of Taxation on November 6 posted two final regulations. One provides guidance on the sales tax exemption for the new statewide arts district, which takes effect December 1, 2013. Click [here](#) to view it. The other reflects changes in state law involving the motion picture production tax credit (sometimes called the film tax credit). Click [here](#) to view it.

Tax Preparers' Seminar: The Division of Taxation's seminar for tax preparers will be held on November 14, 2013, from 9:00 a.m. to 11:30 a.m. at the Community College of Rhode Island (CCRI) campus in Newport. The event is free, but [pre-registration](#) is required. Registration closes at 4:00 p.m. today (Friday, November 8, 2013). An identical seminar, which will be held at CCRI in Warwick on December 4 from 9:00 a.m. to 11:30 a.m., is sold out.

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