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## Filing season starts today for personal income tax returns

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The Rhode Island Division of Taxation today began accepting electronically filed personal income tax returns for tax year 2014 – signaling the formal start to tax-filing season.

“We’re now open for business to receive e-filed Rhode Island personal income tax returns,” said Rhode Island Tax Administrator David M. Sullivan. “Whenever taxpayers have all of the documentation they need to file a complete and accurate return, we’re ready to receive their returns,” Sullivan said.

The Division of Taxation today began accepting e-filed resident and nonresident personal income tax returns – including resident returns with an accompanying claim for a property-tax relief credit on Form RI-1040H.

Also today, the Division of Taxation began accepting and processing paper returns, but Sullivan urged taxpayers and preparers to file electronically because e-filing results in fewer errors, faster processing, and swifter issuing of refunds. Also, only e-filers have the option to have their refunds deposited directly into their bank or credit union accounts. The direct deposit option is not available to paper filers. (For paper returns, it can take four to six weeks for a refund to be issued, whereas refunds resulting from e-filed returns typically take between seven to 10 days.)

- Personal income tax forms and instructions are now available online. To view the selection, click [here](#).
- Taxpayers may call the Division of Taxation at (401) 574-8829 from 8:30 a.m. to 4:00 p.m. business days. To order forms, call (401) 574-8970 (but bear in mind that forms and instructions are on the agency’s website at [www.tax.ri.gov](http://www.tax.ri.gov)). The Division of Taxation office – where taxpayers may pick up forms and instructions, or make payments or ask questions – is at One Capitol Hill, Providence, R.I. The office is typically open from 8:30 a.m. to 4:00 p.m., but those with complex tax matters should arrive no later than 3:30 p.m.

### **Free File opens**

The Rhode Island Division of Taxation's website includes links to a number of online tax preparation programs that allow eligible taxpayers to prepare and file their federal and Rhode Island personal income tax returns at no charge. Taxpayers must first meet the eligibility requirements, then read each program's terms and conditions carefully. Click [here](#) to view selections.

### **E-file business returns starting January 30**

The Division of Taxation will begin accepting and processing e-filed business returns on January 30, 2015. Between now and then, the Division of Taxation will continue testing with software providers to ensure that the system is up and running on January 30.

"Practitioners will be able to e-file Rhode Island corporate returns and other business tax returns starting January 30, including Form RI-1120C, Form RI-1120S, and Form RI-1065," Sullivan said.

Paper returns can be filed, but Sullivan urged preparers and taxpayers to take advantage of the many benefits of filing electronically. He also issued a reminder about Rhode Island's [corporate e-file mandate](#), which applies to paid preparers (though not to corporations themselves).

- The Division of Taxation's e-file system accepts many different types of returns. However, Form RI-1041 – the income tax return filed by fiduciaries for certain trusts and estates – must be filed on paper.

### **Smoking bar affidavits**

The Rhode Island Division of Taxation's Special Investigation Unit (SIU) recently mailed out the Annual Smoking Bar Affidavits to known Rhode Island smoking bars for calendar year 2014.

A smoking bar establishment [must demonstrate each year](#) that revenue generated by tobacco sales are greater than 50 percent of total revenue. This is done on the Annual Smoking Bar Affidavit, which is due on February 20, 2015. Any smoking bar that fails to file the affidavit or does not meet the 50 percent threshold will be referred to the Rhode Island Department of Health. If you did not receive the affidavit from the Division of Taxation, please contact the Special Investigation Unit immediately at (401) 574-8874.

### **Drawing for historic tax credits**

The Rhode Island Division of Taxation will hold a public meeting on January 26, 2015, to conduct a drawing regarding historic tax credits.

The credits are made available on a first-come, first-served basis. However, some applicants have filed their applications on the same date. To "break the tie," the drawing

will be held to establish each such applicant's position in the queue for available credits. There are nine applicants whose places in the queue will be determined via the drawing.

The public drawing will begin at 9:30 a.m. on January 26, 2015, in Conference Room B at the Department of Administration Building (the Powers Building), One Capitol Hill, in Providence.

- About \$3.5 million in historic preservation tax credits are still available and yet to be allocated. A total of 27 projects are still in queue, seeking about \$33.3 million in credits in the aggregate. Once a qualified applicant files the required paperwork, obtains the required approvals, and pays the required fee, the credits are allocated.
- The January 26 drawing will be held to determine the place in the queue for four applicants whose applications were received on February 6, 2014, two on March 11, 2014, and three on December 4, 2014.
- The Division of Taxation cannot disclose project details or applicants' identities, due to Rhode Island statutes that require taxpayer information to be kept confidential except in certain limited circumstances. However, an applicant shall be publicly identified once the applicant has signed a tax credit contract with the Division of Taxation and has paid the required fee. The Division of Taxation has posted all approved credits and full project details on its website. To view them, click [here](#).

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