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**Division of Taxation reminder about estimated payments for C corporations**  
*Taxpayers must take into account combined reporting when computing estimates*

PROVIDENCE, R.I. – Rhode Island Tax Administrator David M. Sullivan today issued a reminder about a change in statute involving estimated tax payments by groups that are subject to mandatory unitary combined reporting.

The change – enacted in 2014, and effective for tax years beginning on or after January 1, 2015 – involves the computation of estimated taxes by businesses that are treated as C corporations for federal income tax purposes and that are part of a combined group engaged in a unitary business. In such cases, “You have to calculate an estimate that takes into account the additional tax owed as a result of combined reporting,” Sullivan said.

Estimated payments are due in two installments: the first by the 15th day of the third month of the taxable year, the second by the 15th day of the sixth month of the taxable year. Thus, for calendar-year filers, the first such estimate is due March 16, 2015.<sup>1</sup> “We want to remind taxpayers and their advisers about the change, especially because the first due date is right around the corner for calendar-year filers.”

A C corporation whose estimated tax for the taxable year is reasonably expected to exceed \$500 must file a declaration of estimated tax and make advance payments equal to 100% of the estimated tax. The first installment must be in the amount of 40% of the estimated tax; the second and last installment must be in the amount of 60% of the estimated tax.<sup>2</sup>

However, for tax years beginning on or after January 1, 2015, any taxpayer required to file a combined report in accordance with Rhode Island General Laws (RIGL) § 44-11-4.1 must compute estimated payments for that tax year as follows:

- The installments must equal 100% of the tax due for the prior year *plus* any additional tax due to the combined reporting provisions under RIGL § 44-11-4.1; or
- The installments must equal 100% of the current year tax liability.

“We are in the process of drafting a proposed regulation on combined reporting, but we are issuing this reminder to help ensure that C corporations subject to combined reporting understand the statutory change involving the computation of estimated payments,” Sullivan said.

(For more information, please call the Division of Taxation’s Corporate Tax section at (401) 574-8935 from 8:30 a.m. to 3:30 p.m. business days. Note that estimated payments may be [made online](#).)

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<sup>1</sup> Because March 15 falls on a Sunday in 2015, the first estimated payment is due the following business day.

<sup>2</sup> See RIGL Chapter 44-26 and Regulation CT 12-10.