

Division of Taxation posts FAQs on combined reporting
Statewide seminar next month about taxes on short-term residential rentals

The Rhode Island Division of Taxation today posted answers to frequently asked questions (FAQs) about combined reporting and related subjects. The FAQs focus on practical issues, such as what forms and schedules to use, the new seven-month extension rule, e-filing, estimated payments, the minimum tax, and other topics.

Under legislation enacted in 2014, combined reporting applies to C corporations that are part of a combined group and engaged in a unitary business, effective for tax years beginning on or after January 1, 2015. The same legislation lowered the corporate income tax rate, from 9 percent to 7 percent, and introduced single-sales-factor apportionment for C corporations.

Many C corporations and tax advisers are encountering Rhode Island's combined reporting regime for the first time this year, as they prepare returns covering tax year 2015. The FAQs are intended as an aid to assist taxpayers and tax professionals. The FAQs are available at: <http://1.usa.gov/1P2gUnm>

Also today, the Division of Taxation posted, as final, its regulation on combined reporting. The regulation, which takes effect March 30, 2016, is available at: <http://1.usa.gov/1UWd1b5>

Tax on short-term residential rentals: Statewide seminar

The Division of Taxation today issued a reminder about a free statewide seminar scheduled for April 1 regarding the new taxes on short-term residential rentals located in Rhode Island.

The statewide seminar is open to all property owners, real estate agents, tax professionals, and others – regardless of their city, town, or state of residence. There is no charge for the seminar. Following are the seminar details:

- Community College of Rhode Island (CCRI) Newport County Campus
- One John H. Chafee Blvd., Newport
- Friday, April 1, 2016
- 10:00 a.m. to 12:00 noon

Because seating is limited, pre-registration is required. To preregister, please use the following link: <https://ritax.wufoo.com/forms/welcome-to-the-seminar/>

For directions to CCRI's Newport County campus, where the statewide seminar will take place:
http://www.ccri.edu/about/campuses.html#Newport_County_Campus

Legislation enacted on June 30, 2015, expanded the sales and hotel taxes to short-term residential rentals, including the rental of vacation homes and beach cottages. However, the taxes did not apply for those who had entered into a rental contract on or before June 30, 2015 – a special provision which applied only for occupancy in 2015. Thus, many owners of rental properties, especially summer and vacation rentals, will first encounter the taxes this year.

At the April 1st seminar, Division of Taxation representatives will review the taxes and how they apply – not only for those who were subject to the tax in 2015, but also for those who will be subject to the tax for the first time, in 2016. The Division of Taxation representatives also will explain the registration, filing and payment requirements related to the taxes, and will also answer questions.

It will be the sixth such seminar that the Division of Taxation has held on the subject since June 2015. The sessions have been held at various dates and locations throughout the state to provide guidance about the new taxes and raise awareness.