# 2016 Form T-74 - Rhode Island Banking Institution Excise Tax Return
## SPECIFIC INSTRUCTIONS

**DUE DATE:** Due on or before the 15th day of the 4th month after close of the taxable year.

**INFORMATION SECTION:** Enter the requested entity information on the top of the form, including name, address, federal identification number, type of return being filed, and if the entity is not a calendar year filer, enter the beginning and end dates of the entity's fiscal year.

## SCHEDULE A - COMPUTATION OF TAX

**Line 1 -**

Enter the taxable income as it appears on Federal Form 1120, line 28.

**Line 2 - Total Deductions**
Enter Total Deductions from page 2, Schedule B, line 7.

**Line 3 - Total Additions**
Enter Total Additions from page 2, Schedule C, line 6.

### RHODE ISLAND TAXABLE INCOME

**Line 4 - Adjusted Taxable Income**
Subtract the total deductions amount on line 2 from the Federal Taxable Income amount on line 1 and add the total additions amount on line 3.

**Line 5 - Capital Investment Deduction**
The General Laws provide for a deduction for purposes of computing net income in accordance with Chapter 44-11, for investments in certified venture capital partnerships. Taxpayers claiming this deduction for investments in certified venture capital partnerships must provide copies of certification from the Department of Economic Development of the Venture Capital Partnership. A recapture of a previously taken deduction may be necessary under the law. This should be done by listing the recaptured amount as a negative number.

**Line 6 - Rhode Island Adjusted Taxable Income**
Subtract your capital investment deduction on line 5 from your adjusted taxable income on line 4.

**Line 7 - Rhode Island Apportionment Ratio**
Complete Schedule F on page 3. Enter the amount from Schedule F, line 5.

**Line 8 - Apportioned Rhode Island Taxable Income**
Multiply your adjusted taxable income amount from line 6 by the Rhode Island Apportionment Ratio from line 7.

**Line 9 - Rhode Island Income Tax**
Multiply the amount on line 8 by 9% (0.0900).

**Line 10 - Rhode Island Credits**
Enter the amount from RI Schedule B-CR, Business Entity Credit Schedule, line 21. Proper documentation must be attached to your return to support the amount of credit being claimed.

**Line 11 - Tax After Credits**
Subtract the amount of credits on line 10 from the Rhode Island Income Tax Amount on line 9. However, this amount cannot be less than the minimum tax of $100.00.

**Line 12 - Estimated Tax Payments**
Enter the total payments made on 2016 BUS-EST, Business Estimated Tax payments, including any overpayment carried forward from the preceding taxable year.

**Line 13 - Other Payments**
Enter the amount of all other tax payments (i.e. extension payment) made with respect to the taxable year.

**Line 14 - Total Payments**
Add the amounts from lines 12 and 13.

**Line 15 - Net Tax Due**
Subtract the amount on line 14 from the amount on line 11.

**Line 16 - Interest and Penalty Calculation**

**Enter the total of (a), (b) and (c) on this line.**

**(a) Interest on the balance due**

For failure to pay the tax on time, interest at the rate of 18% (0.1800) per year; or 1.5% (0.0150) per month, shall be assessed.

Interest shall accrue on the amount from line 15 at the rate of 18% per annum from the due date for filing the return (the fifteenth day of the third month following the close of the taxable year) to the actual date of payment.

**(b) Penalty on the balance due**

For failure to file the return on time, a penalty at the rate of 5% (0.0500) per month not to exceed 25% (0.2500) shall be assessed.

For failure to pay the tax on time, a penalty at the rate of 0.5% (0.0050) per month not to exceed 25% (0.2500) shall be assessed.

**(c) Interest for underpayment of estimated taxes**

In case of any underpayment of the estimated taxes by a corporation there shall be added to the tax as the case may be for the taxable year, an amount determined at the rate of 18% per annum upon the amount of the underpayment for the period of the underpayment. "The amount of the underpayment" shall be the excess of the installment or installments which would be required to be paid if the advance payments were equal to eighty percent (80%) of the tax shown on the return for the taxable year or, if no return was filed eighty percent (80%) of the tax for such year, over the amount, if any, of the installment paid on or before the last date prescribed for payment. See chart on page 2 of Form RI-2220.

The law provides for the assessment of a penalty of 5% of the tax imposed on such corporations for such taxable year for failure to file required estimated tax payments.

**Line 17 - Total Due with the Return**
Add lines 15 and 16.

**Line 18 - Overpayment**
If line 14 is more than line 11, this is the amount of your overpayment.

**Line 19 - Amount to be Applied to 2017 Estimated Tax**
Enter the amount of the overpayment from line 18 to be credited against next year's estimated tax. The amount on this line may be adjusted by the Tax Administrator.

**Line 20 - Amount to be refunded.**
Subtract line 19 from line 18.

## SCHEDULE B - DEDUCTIONS

**Line 1 - Exempt Interest and Dividends**
Enter the amount of exempt interest and dividends for Rhode island purposes that are taxable on the federal return. Attach a schedule detailing the exempt interest and dividends.

**Line 2 - Bonus Depreciation Adjustment**
Enter the amount of adjustment which represents the difference between normal first year depreciation and residual depreciation as long as depreciation lasts.

**Line 3 - Discharge from Business Indebtedness**
Enter the amount of income deferred under the American Recovery and Reinvestment Act of 2009 that was added back in previous years for Rhode Island purposes.

**Line 4 - Non-security Gains**
Attach a schedule of gains included on Federal Schedule D or Federal Form 4797 which do not relate to securities. These gains are not taxable for Rhode Island bank excise tax purposes.

**Line 5 - Modification for Tax Incentives for Employers**
Enter the amount of Tax Incentives for Employers deduction against net income as calculated on Form RI-107. Form RI-107 must be attached to your return. RIGL §44-55

**Line 6 - Other Deductions**
Attach a schedule of any additional deductions allowed under Rhode Island law not listed on lines 1, 2, 3, 4 and 5.

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## SPECIFIC INSTRUCTIONS - page 2

**Line 7 - Total Deductions**
Add the amounts from lines 1 through 6. Enter here and on Form T-74, Schedule A, line 2.

## SCHEDULE C - ADDITIONS

**Line 1 - Interest or Dividends**
Enter the gross amount of interest income received or accrued with respect to all obligations of any state, territory or possession of the United States or any political subdivision of the foregoing, or the District of Columbia other than Rhode Island or its political subdivisions not included on lines 5 and 10 of U.S. Form 1120.

**Line 2 - Rhode Island Bank Excise Taxes**
Enter the Rhode Island bank excise taxes paid or accrued which are deducted on the federal return on lines 2 or 17 for the taxable year.

**Line 3 - Bonus Depreciation Adjustment**
Enter the entity's bonus depreciation amount less its normal depreciation amount.

**Line 4 - Non-security Losses**
Attach a schedule of losses included on Federal Schedule D or Federal Form 4797 which do no relate to securities. These losses are deductible for Rhode Island bank excise tax purposes.

**Line 5 - Other Income**
Attach a schedule of any additional additions required under Rhode Island law not listed on lines 1, 2, 3 and 4.

**Line 6 - Total Additions**
Add the amounts from lines 1 through 5. Enter here and on Form T-74, Schedule A, line 3.

## SCHEDULE D – FINAL DETERMINATION OF NET INCOME BY FEDERAL GOVERNMENT

If the Federal Government has changed your taxable income for any prior year which has not been reported to the Tax Administrator, check "Yes" and submit an amended Form T-74 with any tax due. If there has been no change in taxable income by the Federal Government, check "No."

## SCHEDULE E – GENERAL INFORMATION

Enter the requested information regarding your business entity.

## SCHEDULE F – ALLOCATION FACTOR

**Line 1 - Average Value of Property**
Real and tangible personal property owned is valued at book value. Real and tangible personal property rented is valued at 8 times the annual net rental rate. The annual net rental rate shall be reduced (but not to less than zero) by the annual rental rate received from subrentals.

"Tangible personal property" means such property as machinery, tools, implements, goods, wares, and merchandise. It does not include cash, shares of stock, bonds, notes, credits, or evidences of an interest in property and evidences of debt.

**Line 2 - Receipts Factor**

**2a) Lease/Rental of Real Property**
Any income earned through the leasing or renting of real property.

**2b) Lease/Rental of Transportation Property**
Any income earned through the lease or rental of transportation (i.e. vehicles) property.

**2c) Interest income from Loans Secured by Real Property**
Any interest received from loans secured through real property ownership.

**2d) Receipts from Credit Card Receivables**
Any income received from the issuance of credit cards and the resulting receivables.

**2e) Interest income from Loans Not Secured by Real Property**
Any interest received from loans not secured through real property ownership.

**2f) Receipts from Services**
Gross income from services attributed to Rhode Island. A service is attributed to Rhode Island if the service is performed in Rhode Island.

**2g) Interest and Dividends**
Any interest and dividend income not included elsewhere.

**2h) Interest Not Taxed by the Federal Government**
Any income exempt from federal taxation.

**2i) Capital Gains**
Net income from the sale of real property, tangible personal property, or other capital assets not held by the taxpayer for sale to customers in the regular course of business.

**2j) Other Income**
Gross income from all other receipts from all other sources not listed on line 2a through 2i.

**Line 3 - Salaries and Wage Factor**
Schedule F, line 3, Column A represents that part of the total wages, salaries and other compensation to officers and employees paid or incurred by the taxpayer during the taxable year which is assignable to offices, agencies, or places of business within the State of Rhode Island, or which is attributable to services performed in connection with the taxpayer's activities or transactions within this state during the taxable year.

**Line 4 - Rhode Island Ratios**
Total the Rhode Island ratios from lines 1g, 2l and 3b.

**Line 5 - Allocation Factor**
If dollar amounts for property, receipts and salaries exist in Column B, the total of the three ratios on line 4 should be divided by 3. If one factor is not found in Column B, then the total of the two ratios on line 4 must be divided by 2. If only one factor exists in Column B, then the ratio on line 4 should be carried to line 5. Also, enter this ratio on Schedule A, line 7.

**Mailing Address**
Returns and payments should be mailed to:
Rhode Island Division of Taxation
One Capitol Hill
Providence, RI 02908-5811

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