SCHEDULE A - COMPUTATION OF TAX

TAXABLE INCOME

Line 1 - Federal Taxable Income
Enter the taxable income as it appears on Federal Form 1065, Schedule K, line 1 from the Analysis of Net Income (Loss) section or line 31 from Federal 1040, Schedule C, or other applicable Federal form.

Line 2 - Total Deductions
Enter Total Deductions from page 2, Schedule B, line 1e.

Line 3 - Total Additions
Enter Total Additions from page 2, Schedule C, line 1d.

APPORTIONED TAXABLE INCOME

Line 4 - Adjusted Taxable Income
Subtract the total deductions amount on line 2 from the Federal Taxable Income amount on line 1. Add to that the total additions amount on line 3.

Line 5 - Rhode Island Apportionment Ratio
Complete Schedule I on page 4. Enter the amount from Schedule I, line 5.

Line 6 - Apportioned Rhode Island Taxable Income
Multiply your adjusted taxable income amount from line 4 times the Rhode Island Apportionment Ratio from line 5.

If the entity type is a general partnership, stop after completing line 6. No annual fee is due from an entity filing as a general partnership. Form RI-1065 must still be filed even though no annual fee is due.

Line 7a - Rhode Island Annual Fee
Enter the amount of $400.00 on this line. Pursuant to RIGL 44-11-2(e), the minimum tax imposed shall be $400.00

Line 7b - Jobs Growth Tax
Enter 5% of the aggregate performance-based compensation paid to eligible employees as per the Jobs Growth Act (§42-64.11-5).

Line 8a and 8b - Rhode Island Total Tax/Fee
Add lines 7a and 7b.

Line 9a - Estimated Tax Payments
Enter the total estimated tax payments made with respect to the taxable year, if any, including any overpayment allowed from the preceding taxable year.

Line 9b - Other Payments
Enter the amount of all other tax payments (i.e. extension payment) made with respect to the taxable year. Note: Rhode Island pass-through withholding payments MAY NOT be claimed by LLCs, LLPs, LPs, partnerships or SMLLCs on Form RI-1065 since they themselves are pass-through entities. LLCs, LLPs, LPs, partnerships and SMLLCs must file their own Form RI-1096PT and pass any pass-through withholding payments through to their members/shareholders.

Line 10 - Total Payments
Add the amounts from lines 9a and 9b.

Line 11 - Net Tax Due
Subtract the amount on line 10 from the amount on line 8b.
Line 12 - 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 12 at the rate of 18% per annum from the due date for filing the return 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.

Delinquency charge: LLCs, LPs, and LLCs are subject to a $100.00 charge if the annual fee is not paid by the due date.

(c) Interest for underpayment of estimated taxes
In the case of any underpayment of the estimated taxes by an entity 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 estimated payments made for the tax year must equal at least eighty (80%) percent of the current year tax amount, or one hundred (100%) percent of the prior year tax amount, whichever is less. In addition, unless using the annualization of income method, total payments and withholding for each quarter must be at least equal to one quarter of the amount of tax in order to avoid underestimating interest. An overpayment or underpayment from the immediately preceding quarter should be applied to the next quarter when determining the overpayment or underpayment for that quarter.

Line 13 - Total Due with the Return
Add lines 11 and 12. The amount is due and payable when the return is filed.

Line 14 - Overpayment
If line 10 is more than line 8b, this is the amount of your overpayment. If there is an amount due on line 12c, subtract that amount from your overpayment.
If the amount on line 12c is more than your overpayment, enter the amount on line 13. This amount is due and payable when the return is filed.

Line 15 - Amount to be Applied to 2019 Estimated Tax
Enter the amount of the overpayment from line 14 that is to be credited against next year’s estimated tax. The amount on this line may be adjusted by the Tax Administrator.

Line 16 - Amount to be refunded.
Subtract line 15 from line 14.

SCHEDULE B - DEDUCTIONS

Line 1a - Exempt Interest
Enter the amount of interest exempt from Rhode Island tax included on line 5, Schedule K of Federal 1065.

Line 1b - 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 1c - 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 1d - Modification for Tax Incentives for Employers
Enter the amount of modification allowed under RIGL §44-55. Attach Form RI-107 and required documentation to the return.

Line 1e - Total Deductions
Add lines 1a through 1d. Enter here and on page 1, Schedule A, line 2.

SCHEDULE C - ADDITIONS

Line 1a - Interest
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 line 4, Schedule K of Federal 1120S.

Line 1b - Bonus Depreciation Adjustment
Enter the entity’s bonus depreciation amount less its normal depreciation amount.

Line 1c - Intangible Addback
Enter the total amount of interest expenses and costs and intangible expenses and costs that must be added back under RIGL §44-11-11(f).

Line 1d - Total Additions
Add lines 1a through 1c. Enter here and on page 1, Schedule A, line 3.

SCHEDULE D - RHODE ISLAND CREDITS

If the entity has credits passing through to its members, complete RI Schedule CR-PT - Other RI Credits for RI-1065 & RI-1120S filers.

SCHEDULE E – OTHER DEDUCTIONS TO FEDERAL TAXABLE INCOME

Line 1 - Elective Deduction for New Research and Development Facilities
- Refer to Section 44-32-1 of the Rhode Island General Laws for more details.

Line 2 - Capital Investment Deduction Section 44-43-2
- Rhode Island 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 take deduction may be necessary under the law. This should be done by listing the recaptured amount as a negative number.

SCHEDULE I - ALLOCATION FACTOR

Prior to considering your apportionment factors, Regulation 280-RICR-20-25-11 and RIGL 44-11-13 should be considered to determine whether a company has the ability to apportion its Rhode Island adjusted taxable income. All apportionment factors should be filled out even if your apportionment is 100% Rhode Island.

If utilizing an alternative allocation apportionment as allowed under RIGL §44-11-14.1, §44-11-14.2, §44-11-14.3, §44-11-14.4, §44-11-14.5 or §44-11-14.6, check the box above the apportionment schedule.

Line 1 - Average Net Book Value Factor
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) 100% allocation to Rhode Island of the gross receipts from sales of tangible personal property sold in the regular course of business where Rhode Island (or any other state or place) is the place of origin and Rhode Island is the destination. Sales of tangible personal property are in Rhode Island if the property is delivered or shipped to a purchaser within this state regardless of the free on board (F.O.B.) point or other conditions of the sale.

Gross income from services is attributed to Rhode Island if the services are performed in Rhode Island.

Pursuant to R.I.G.L. 44-11-14(a)(2)(i)(B), gross sales of tangible personal property where shipments are made from an office, store, warehouse, factory or other place of storage in this state and the taxpayer is not taxed in the state of purchase must now be included in the Receipts section of the Rhode Island apportionment column. This gross receipts amount must be listed separately as shown on the apportionment schedule.

2b) Dividend income. This amount should not be included in 2(h).

2c) Interest income. This amount should not be included in 2(h).

2d) Gross rental income from the leasing or renting of real and tangible personal property.

2e) Royalty income associated with Rhode Island activities.

2f) 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.

2g) Net income from the sale or disposition of securities or financial obligations. Do not include related dividends or interest. Dividends and interest are reported on line 2(b) and 2(c).

2h) Gross income from all other receipts includes income from all other sources (not listed above) and includes (but is not limited to) receipts from patents, royalties, copyrights, commissions, dividends and interest. Gross income from royalties is attributable to Rhode Island to the extent that the patent or copyright is used in this state by the person paying royalties to the taxpayer. A patent is used in Rhode Island to the extent that it is employed in fabrication, manufacturing, production or other processing in Rhode Island or to the extent that a patented product is produced in Rhode Island. A copyright is used in Rhode Island to the extent that printing or other publication originates in Rhode Island. Accordingly, all such gross income should be included in Schedule I, line 2(h), Column A. For corporations organized under Rhode Island laws, all gross income from interest and dividends must be shown on Schedule I, lines 2(b&c), Column A.

2i) Income exempt from federal taxation.

Line 3 - Salaries and Wage Factor
Schedule I, 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 1f, 2k 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 page 1, Schedule A, line 5.