



# Rhode Island Department of Revenue

## Division of Taxation

NOTICE 2018-03

JULY 19, 2018

### Rhode Island tax obligations for LLCs: What you need to know, in summary

Limited liability companies (LLCs) are required under Rhode Island law to file an annual return with the Rhode Island Division of Taxation and pay an annual tax or fee. Which form to file and which tax/fee to pay depends on the LLC:

- If the LLC is treated as a pass-through entity and not as a corporation for federal tax purposes, it must file Form RI-1065 and pay an annual charge (see table below).

Tax year	Annual charge
2017	\$400
2016	\$450
2015	\$500

The annual charge – sometimes called the annual fee, filing fee, or filing charge – is \$400 for tax years beginning on or after January 1, 2017; \$450 for tax years beginning on or after January 1, 2016, but before January 1, 2017; \$500 for tax years beginning on or after January 1, 2004, but before January 1, 2016; \$250 for 2003 and prior.

- If the LLC is treated as a corporation for federal tax purposes, it must file Form RI-1120C each year and pay the Rhode Island corporate income tax. (See notes below.)

#### NOTES:

- ▶ In general, the annual tax filing deadline is March 15 for an LLC treated as a pass-through entity, while the deadline is April 15 for an LLC treated as a corporation for federal tax purposes. A single-member LLC (also known as a SMLLC) uses the same filing deadline as its owner. (For example, if the owner is an individual, the SMLLC return and payment are due April 15.)
- ▶ The Rhode Island filing and payment requirements summarized here apply not only to multi-member LLCs, but also to single-member LLCs. The filing and payment requirements also apply for any full or partial year in which the business is in existence, including the year in which the business is formed and the year in which the business dissolves. For more information, see the applicable form and related instructions at: <http://www.tax.ri.gov/taxforms/corporate.php>.
- ▶ An LLC whose members include one or more nonresidents generally must withhold and remit Rhode Island tax and file RI-1096PT each year reporting the income flowing through and the amount of nonresident Rhode Island tax withheld. Nonresident individuals and entities are required to file the appropriate Rhode Island tax returns reporting the pass-through income and any pass-through withheld tax. In some instances, Form RI-1040C may be filed. See [http://www.tax.ri.gov/taxforms/passthrough\\_composite.php](http://www.tax.ri.gov/taxforms/passthrough_composite.php) and [http://www.tax.ri.gov/misc/passthrough\\_entities.php](http://www.tax.ri.gov/misc/passthrough_entities.php). For employer tax information, see <http://www.uitax.ri.gov/>.
- ▶ In general, for an LLC treated as a corporation for federal tax purposes, for tax years beginning on or after January 1, 2015, the tax is 7% of net income, or the minimum tax, whichever amount is greater. For prior years, corporations paid the Rhode Island corporate income tax or the franchise tax, whichever amount was greater. (For rates and other information, please see the applicable tax form.)
- ▶ An LLC must notify the Division at least five business days before the sale or transfer of a major part in value of the LLC's assets. The notification must be made by requesting a letter of good standing from the Division. All required tax returns must be filed and all Rhode Island state taxes paid when the Tax Administrator is notified of the sale or transfer.

FOR MORE INFORMATION, CALL THE DIVISION AT (401) 574-8829 FROM 8:30 A.M. TO 3:30 P.M. BUSINESS DAYS, OR SEE THE DIVISION'S WEBSITE AT [WWW.TAX.RI.GOV](http://WWW.TAX.RI.GOV). THIS DOCUMENT IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR RHODE ISLAND GENERAL LAWS, OR FOR DIVISION REGULATIONS, RULINGS, OR NOTICES.