

280-RICR-20-65-1

TITLE 280 – DEPARTMENT OF REVENUE

CHAPTER 20 – DIVISION OF TAXATION

SUBCHAPTER 65 – PUBLIC SERVICE CORPORATION TAX

PART 1 – Public Service Corporation Tax

1.1 Purpose

The purpose of these rules and regulations is to implement R.I. Gen Laws Chapter 44-13, which imposes a tax on Public Service Corporations.

1.2 Authority

This regulation is promulgated pursuant to R.I. Gen. Laws § 44-1-4. The rules and regulations have been prepared in accordance with the requirements of R.I. Gen. Law § 42-35-1 *et. seq.* of the Rhode Island Administrative Procedures Act.

1.3 Application

These rules and regulations shall be liberally construed so as to permit the Division of Taxation to effectuate the purpose of R.I. Gen. Laws Chapter 44-13 and other applicable state laws and regulations.

1.4 Severability

If any provision of these rules and regulations, or the application thereof to any person or circumstances, is held invalid by a court of competent jurisdiction, the validity of the remainder of the rules and regulations shall not be affected thereby.

1.5 General

- A. Every public service corporation as enumerated in R.I. Gen. Laws § 44-13-4, carrying on or authorized to carry on business within this State is required to file Form T-72, Rhode Island Public Service Corporation Gross Earnings Tax Return. Such return shall be filed on or before April 15th of the year following the close of the taxable year for calendar year end filers, or on or before the 15th day of the 4th month following the close of the tax year for fiscal year end filers, without regard to extension.
- B. Pursuant to R.I. Gen Laws § 44-13-2.2, a corporation or public service company whose principal business in this state is not an activity enumerated in R.I. Gen. Laws § 44-13-4 but engages in that activity in this state, is required to report the

gross earnings derived from that activity in this state on Form T-72 returns. The corporation or public service company shall also be required to file a Form RI-1120C, Rhode Island Business Corporation Tax Return, and report the net income subject to tax pursuant to R.I. Gen. Laws Chapter 44-11, excluding from the income the gross earnings already reported on Form T-72.

1.6 Books and Records

- A. Public service corporations and/or corporation as provided in § 1.5(B) of this Part required to file annual T-72 returns and/or Form RI-1120C must maintain books and accounting records in accordance with the uniform system of accounts provided by the appropriate regulatory agency.
- B. The total amount of gross earnings to be reported on Form T-72 should match gross receipts less returns and allowances on the corresponding Federal tax return.
- C. In the case of telecommunications companies, the amount of uncollectible accounts excluded from gross earnings from operations must agree with the uncollectible account expense taken as the appropriate item on the corresponding Federal tax return.
- D. All deductions from gross earnings must be reconcilable through the books and records of the entity.
- E. All items that are a change from book to tax and vice versa must be verifiable through the books and records of the entity.