



Division of Taxation

# Rhode Island Tax News

Third Quarter, 2023

[Visit Our Website](#)



---

Welcome!

---



## **Tax Administrator Savage welcomes Director Verdi**

Tax Administrator Neena Savage welcomes Department of Revenue Director Thomas Verdi, who was appointed by Governor Dan McKee as the Director of the Department of Revenue in June 2023.

Director Verdi comes to Revenue from the Providence Police Department, where he served for 35 years and retired as Commander and Deputy Chief of Police.

The Director holds a bachelor's degree in finance from the University of Rhode Island and a master's degree in criminal justice from Boston University. He also graduated from the FBI Academy in 2016, where he served as class president. He also completed the 2022 Harvard Kennedy School Leadership for the 21st Century Executive Education program.

The Director's new position with Revenue oversees the Department's six divisions: Central Collections, Lottery, Motor Vehicles, Municipal Finance, Revenue Analysis and Taxation. His role is to ensure the proper functioning of Rhode Island state government through the collection and distribution of state revenue, the operation of the state lottery, and the administration of the laws governing driver licensing, motor vehicle sales, and motor vehicle registration.

In addition to his work for the Department of Revenue, the Director has served on numerous commissions and boards including the Rhode Island Police Chiefs Association, Providence Sports & Leadership, the Reentry Campus Program, and served as an amateur scout for the Cincinnati Reds organization.

Welcome, Director Verdi.

---

## Updates

### **Summary of Legislative Changes**

The end of the legislative session and the start of the new fiscal year can bring many changes.

Our annual Summary of Legislative Changes provides a plain-language summary of State tax changes that were enacted in the 2023 session of the Rhode Island General Assembly.



Some notable tax changes this session include:

- Temporary relief from gross earnings tax for electricity and gas
- Earned Income Tax Credit increase
- Litter control participation permit elimination
- Funding increase for the scholarship tax credit program
- Extension of the sunset date for several tax credit programs
- Expansion of the Wavemaker Fellowship program
- New formula for the Hospital Licensing Fee
- Expansion of musical and theatrical production tax credits
- Tax incentive reporting changes

## Read the Summary

### Extended deadline approaching

The Rhode Island Division of Taxation reminds tax professionals and taxpayers that the deadline for filing Rhode Island resident and nonresident personal income tax returns on extension is Monday, October 16, 2023.

Rhode Island personal income tax returns for tax year 2022 that are on extension must be e-filed or postmarked on or before Monday, October 16, 2023.

### Tips for extension filers

- File your return as soon as you are able – you do not need to wait until the deadline to file.
- File electronically.
- Get help if you need it.

For those who have filed their return and are curious about the status of their refund, the Division has an online ['Where's My Refund?'](#) tool that can help. This secure tool can be used to find out if the Division received your return and whether your refund was processed.

To get to your refund status, you'll need the following information as shown on your return:

- Your social security number
- Your filing type
- The refund amount

### Where's My Refund?

Remember, the 'Where's my Refund' Tool is only for current year refunds, and is not intended for tracking prior year refunds.



## Tax credit and incentive report

The annual tax credit and incentive report identifies 13 businesses that received a combined total of over \$38 million in certain state tax credits and incentives for the fiscal year that ended June 30, 2023.

The report also presents information related to projects that have requested certification under Rhode Island's historic preservation tax credit program of 2013.

The full [report](#) is available on the [Division's website](#).

Annual report on tax credits, incentives

## Earned Income Tax Credit Increase

As outlined in the Summary of Legislative Changes, passage of the State fiscal budget has increased the Rhode Island earned income tax credit (EITC) for Tax Years beginning on or after January 1, 2024, to 16% of the federal credit. The refundable portion continues to be 100% of the amount by which the Rhode Island EITC exceeded the Rhode Island income tax.

Expanded details are available in [Advisory 2023-13](#).

ADV 2023-13

## In the Community

### Operation Stand Down Rhode Island's Veterans Assistance Event

Division representatives attended Operation Stand Down Rhode Island's (OSDRI) annual Veteran Assistance Event on September 14th and 15th at OSDRI's headquarters in Johnston.

OSDRI is an independent 501(c)(3) non-profit organization and Rhode Island's primary nonprofit resource for homeless and at-risk veterans. OSDRI's mission is to strengthen the veteran community by providing crucial wrap-around services.

To date, thousands of veterans have benefited from this annual event. The Veteran Assistance Event provides veterans with access to important services including health, dental, and substance abuse care, as well as employment, legal, and housing services. The Division was honored to be in attendance to provide services, as well.

Representatives from Income Tax and Collections assisted veterans with understanding their account status, worked to resolve outstanding issues, and answered questions on a variety of tax topics.

To learn more about OSDRI, visit their website <https://osdri.org/>.



*Pictured (L to R) Crystal Cote (Chief, Compliance & Collections, Registration & Taxpayer Experience), Amanda Tirocchi (Communications Specialist), Leo Lebeuf (Taxpayer Experience Liaison), Carlita Annicelli (Chief, Personal and Corporate Income Tax), Neena Savage, Esq. (Tax Administrator), Thomas Verdi (Director, Department of Revenue), Erik Wallin, Esq. (Executive Director and General Counsel, OSDRI), Anthony DeQuattro (President and Chairman of the Board, OSDRI).*

## Event Highlight

While Division representatives assisted a number of veterans at the event, one in particular stands out.

A young, recently discharged service member had fallen on hard times. He was out of work and homeless but, luckily able to temporarily stay with an uncle. He was having trouble obtaining gainful employment because an old outstanding Rhode Island income tax balance and a traffic ticket prevented him from renewing his license.

Because of the teamwork of service providers at the event, over the event's two days, this young veteran was able to:

- Work with VITA to get his filings up to date;
- Connect with the IRS to learn of an outstanding refund;
- Use his IRS refund to provisionally offset his RI debt;
- Determine that his remaining federal refund balance can be used to pay for his vehicle violation; and
- Set up a payment plan with the Division as a back-up should something happen to prevent his federal refund.

This collaboration allowed him to work with the DMV, who were also on-site, to renew his license. Now this hard-working young man can get back to work



## Save the Date

The Division's annual Seminar for Tax Preparers covers changes to RI tax law, administration, reminders, and updates relevant to tax professionals.

For your convenience, the Seminar will be offered twice this year:

- November 30, 2023, from 9am – 1pm
  - Newport Campus auditorium
- December 7, 2023, from 9am – 1pm
  - Knight Campus Bobby Hackett Theatre

Registration details will be forthcoming.



## Newsletter Archive

For your convenience, newsletters, including this one, are available in our online Newsletter Archive.

[Newsletter Archive](#)

## Tax Talk

### Who is required to obtain an EIN#?

All non-individual entities are required to obtain an Employer Identification Number (EIN#) from the IRS.

The IRS has a link to an FAQ to determine if someone is required to request an EIN#: [Do You Need an EIN? | Internal Revenue Service \(irs.gov\)](#).

Ultimately, the IRS requires an EIN# for Tax Administration. This includes all entities that file as a corporation, partnership (including

LLCs taxed as a partnership), trust, estate, or non-profit, amongst other (generally, these are more unique or special circumstance entity types). It also includes sole proprietorships and other entity types that file certain tax returns such as employment/withholding taxes.

In addition to the IRS requirements, Rhode Island requires a Single Member LLC to obtain and EIN# through [Regulation 280-RICR-20-25-7](#).

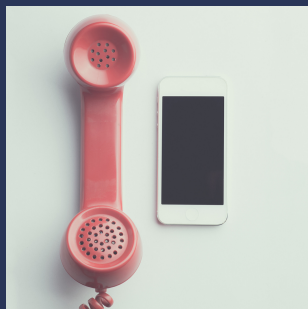
---

Interested in the Division's outreach programs?

The [Taxpayer Experience Office webpage](#) contains both an archive of past presentations and a list of upcoming outreach events.

---

## Tax Tip Line



Do you have information about wrongdoing involving Rhode Island state taxes?

Rhode Island Division of Taxation's Special Investigation Unit staffers follow up on all tips. You can choose to leave your name and contact information or remain anonymous.

401-574-TIPS (8477)

Report Online

---

## Legal Corner

### Administrative Decisions

An administrative decision is a final decision issued following an agency proceeding in which an individual or entity formally requests a hearing.

In 2023 Q2's Administrative Decisions, the issues addressed were:

#### [Administrative Decision 2023-02:](#)

It was determined that the Taxpayer failed to file an amended Rhode Island personal income tax return for 2018 due to a change in her Federal income. The taxpayer owes additional income tax, interest, and a penalty for the Tax Year 2018.

#### [Administrative Decision 2023-03:](#)

It was determined that the Taxpayer did not owe the Division's assessment for tax years 2015 through 2019 in relation to the rental vehicle surcharge ("RVS"), as he did not rent a

fleet of vehicles as defined by statute in the first, second, or third quarter of the 2017 review period.

[Administrative Decision 2023-04:](#)

The Division was determined to have correctly denied the Taxpayer's refund request for its payment of its hard to dispose material tax for 2018. The Taxpayer was not entitled to its refund claim as it was out of time.

[Administrative Decision 2023-05:](#)

The Taxpayer's claim for a sales and use tax refund for his tax payment on a car ("Car") that he purchased was determined to have been correctly denied by the Division. The Taxpayer's request was out of time and incomplete.

[View Administrative Decisions Archive](#)



**"I like to pay taxes. With them, I buy civilization."**

— Oliver Wendell Holmes Jr.

### Contact



RI Division of Taxation | 1 Capitol Hill, Providence, RI 02908 <https://tax.ri.gov/>

[Unsubscribe amanda.tirocchi@tax.ri.gov](mailto:unsubscribe.amanda.tirocchi@tax.ri.gov)

[Constant Contact Data Notice](#)

Sent by [outreach@notification.tax.ri.gov](mailto:outreach@notification.tax.ri.gov)