



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

January 31, 2013

ADV 2013-03

Advisory:

Rhode Island starts accepting e-filed returns

The Rhode Island Division of Taxation today began accepting electronically filed personal income tax returns for tax year 2012. A total of 27,879 returns have been e-filed so far.

"We're now open for business to receive e-filed Rhode Island personal income tax returns," said state Tax Administrator David M. Sullivan. "Many taxpayers have most or all of the documentation they need to file their taxes. So now is a good time to file – and to do so electronically."

E-filing results in fewer errors, faster processing, and swifter issuing of refunds, he said. Also, only e-filers have the option to have their refunds deposited directly into their bank or credit union accounts. The direct deposit option is not available to paper filers, said Susan M. Galvin, chief of Tax Processing Services. About 76 percent of Rhode Island personal income tax returns were e-filed last year.

Through a longstanding federal-state partnership, e-filed Rhode Island personal income tax returns are transmitted to the IRS then downloaded by the Tax Division. The IRS system was closed earlier this month so that the IRS could update its computers to reflect last-minute changes in federal tax law. The IRS began accepting many e-filed returns yesterday, and the Tax Division followed.

Taxpayers claiming credits at the federal level for higher education expenses will not be able to file their federal returns until mid-February, the [IRS recently announced](#). Other taxpayers – including those who claim a depreciation deduction, the general business credit, or residential energy credits – will not be able to file until late February or early March, [according to the IRS](#). Taxpayers in such circumstances may have to wait a while longer to file their Rhode Island state returns, depending on how the federal situation affects them.

- The Tax Division on January 28 began accepting e-filed Forms RI-1065.
- The Tax Division late last week began accepting e-filed Forms RI-1120S and RI-1120C.

Free File opens

The Tax Division's website now includes links to [five online tax-preparation programs](#) that allow eligible taxpayers to prepare and file their federal and Rhode Island personal income tax returns at no charge.

(Continued on next page)

Taxpayers must first meet the eligibility requirements, then read each program's terms and conditions carefully. "Taxpayers should check to see if they're eligible, and then review each program's rules to make sure the program suits their needs" before choosing a program, Sullivan said. The links are available at: <http://www.tax.ri.gov/misc/efile.php>.

Practitioner Alert: Form 8453 discontinued

The Tax Division has discontinued Form RI-8453, "R.I. Individual Income Tax Declaration for Electronic Filing." Form RI-8453 formerly was associated with an e-filed return; the form was used by a taxpayer to formally give consent for the direct deposit of a refund or the electronic payment of tax. The form was not submitted to the Tax Division; a copy was kept by the taxpayer (and his or her preparer).

Effective for the current filing season, the form has been retired. The Rhode Island Division of Taxation will recognize the federal [Form 8879](#), "IRS e-file Signature Authorization," or its equivalent, as a substitute.

Relief for farmers and fishermen

The Rhode Island Division of Taxation announced today that it is providing certain relief this season for many farmers and fishermen. The relief has to do with penalty for underpayment of estimated tax.

In general, if farmers and fishermen fail to make payments of estimated tax by a certain date, they may be subject to penalty. Under normal circumstances, they generally can avoid penalty by filing their returns and paying the full amount of tax due by March 1.

But this time around, there is a twist. Because of last-minute changes to federal tax law, the Internal Revenue Service must make extensive revisions to certain forms. As a consequence, the forms may not be ready in time for many farmers and fishermen to file their 2012 tax year return by March 1, 2013.

In response, the IRS on January 29, 2013, said it would waive the penalty for farmers and fishermen who miss the March 1, 2013, deadline -- if they file their return and pay in full any tax due by April 15, 2013. The Rhode Island Division of Taxation is providing the same relief.

- Taxpayers who qualify for the relief should enter zero on [Form RI-2210](#), line 22. (Those who use [Form RI-2210A](#) should enter zero on line 12.) Then, on line 15B of Form RI-1040, check the "2210" box and enter zero; for a nonresident return on Form RI-1040NR, use line 18B.
- A taxpayer qualifies as a farmer or fisherman for these purposes if at least two-thirds of his or her total gross income was from farming or fishing in either 2011 or 2012.
- For the IRS announcement on relief for certain farmers and fishermen, [click here](#).
- For the IRS Notice about the relief, [click here](#).

Contact:

Neil Downing
Chief Revenue Agent
Rhode Island Division of Taxation
Neil.Downing@tax.ri.gov
(401) 574-8115