

State of Rhode Island - Division of Taxation

Business Corporation Tax

Regulation CT 01-10

Estimated Tax Payments

I. Definitions

A. "Corporation" means every corporation, public service company, banking institution, insurance company, organization or association subject to taxation under chapters 11, 12, 13, 14, 15 and 17 of Title 44 and 27-3-38 of the Rhode Island General Laws relating to surplus line broker premium tax.

B. "Advance" means a sum equal to 100% of the full amount of the tax which a corporation estimates it will be required to pay under provisions of the seven chapters above.

C. "Underpayment" is the excess of the amount of installments to be paid if the advance payments were equal to 80% of the tax shown on the return for the taxable year.

II. Requirements

A. Every corporation shall file a declaration of its estimated tax if it is reasonably expected that its estimated tax exceeds \$500.

B. Payments are required in the entire amount of the estimated tax.

C. Due dates for declaration are as follows for chapters 11, 12, 13, 14, 15 and 17 of Title 44:

1. If requirements are first met by the first day of the third month of the taxable year..... declaration is due the fifteenth day of the third month of the taxable year.

2. If requirements are met after the first day of the third month and before the first day of the sixth month of the taxable year..... declaration is due the fifteenth day of the sixth month of the taxable year.

3. If requirements are met on or after the first day of the sixth month of the taxable year..... declaration is due the fifteenth day of the following month.

D. Due dates for declaration are as follows for Title 27-3-38:

1. If requirements are first met by the first day of the fourth month of the taxable year . . . declaration is due the thirtieth day of the fourth month of the taxable year.

2. If requirements are met after the first day of the fourth month and before the first day of the sixth month of the taxable year . . . declaration is due the thirtieth day of the sixth month of the taxable year.

3. If requirements are met after the first day of the sixth month and before the first day of the tenth month of the taxable year . . . declaration is due the thirtieth day of the tenth month of the taxable year.

4. If requirements are met on the first day of the tenth month and before the first day of the twelfth month of the taxable year . . . declaration is due the thirty-first day of the twelfth month of the taxable year.

E. An amendment of declaration may be filed in any interval between installment dates prescribed but only one amendment may be filed in each interval.

III. Payments

A. If the declaration is filed on or before the fifteenth day of the third month of the taxable year, the estimated tax shall be paid in two installments for chapters 11, 12, 13, 14, 15 and 17 of Title 44:

1. The first installment of 40% of the estimated tax shall be paid at the time of the filing of the declaration.

2. The second and last installment of 60% of the estimated tax shall be paid on or before the fifteenth day of the sixth month of the taxable year.

B. If the declaration is required to be filed after the fifteenth day of the third month but before the first day of the sixth month, the entire amount of the estimated tax must be paid by the fifteenth day of the sixth month.

C. If the declaration is filed on or after the first day of the sixth month, the entire amount of the estimated tax must be paid at the time of filing of the declaration.

D. If the declaration is filed on or before the thirtieth day of the fourth month of the taxable year, the estimated tax will be paid in four equal installments for Title 27-3-38.

1. The first installment of twenty-five percent (25%) of estimated tax shall be paid on or before the thirtieth day of the fourth month of the taxable year.

2. The second installment of twenty-five percent (25%) of the estimated tax shall be paid by the thirtieth day of the sixth month of the taxable year.

3. The third installment of twenty-five percent (25%) of the estimated tax shall be paid by the thirtieth day of the tenth month of the taxable year.

4. The fourth installment of twenty-five percent (25) of the estimated tax shall be paid by the thirty-first day of the twelfth month of the taxable year.

E. Any amendment to a declaration increases or decreases the estimated tax to be paid for the prescribed installments.

IV. Interest and Penalty

A. Interest at the rate outlined in 44-1-7 is added to the tax. The period of underpayment is from the due date of the installment required to be paid to the date such installment is paid or the due date of the return, whichever is earlier.

B. Penalty is assessed at 5% of the underpayment of installments that have not been made at the time prescribed.

C. Exceptions to interest and penalties:

1. Less than \$500 tax for the taxable year.

2. Estimated payments made that are at least equal to 80% of the tax for the taxable year.

3. Estimated payments made that are equal at least to the tax that would be calculated at the current year's rate but using last year's taxable measure base (income, gross earnings, gross premiums, etc.).

Therefore in a year where the tax rate remains the same, estimated payments equal to the prior year's tax are an exception. However, when the tax rate increases, estimated payments must be made equal to the current year's rate multiplied by the prior year's applicable taxable base.

R. GARY CLARK
TAX ADMINISTRATOR

EFFECTIVE: January 1, 2001

THIS REGULATION AMENDS AND SUPERCEDES CT90-10 PROMULGATED
DECEMBER 31, 1990.