

# RI-1040C-NE

## RHODE ISLAND NONRESIDENT INCOME TAX AGREEMENT/ ELECTION TO BE INCLUDED IN A COMPOSITE RETURN

See Instructions Below

NONRESIDENT INDIVIDUAL'S NAME AND ADDRESS			PASS-THROUGH ENTITY'S NAME AND ADDRESS		
Name			Name		
Address 1			Address 1		
Address 2			Address 2		
City, town or post office	State	ZIP code	City, town or post office	State	ZIP code
Social security number		Spouse's social security number	Federal employer identification number		

Entity's year end  Calendar Year: January 1, \_\_\_\_\_ through December 31, \_\_\_\_\_  Fiscal Year: Beginning \_\_\_\_\_, \_\_\_\_\_ through \_\_\_\_\_, \_\_\_\_\_

Internal Revenue Service Center Where Nonresident Individual's Federal Return is Filed \_\_\_\_\_

**Purpose:** Form RI-1040C-NE, *Rhode Island Nonresident Income Tax Agreement/Election to be Included in a Composite Return*, is used to substantiate the qualified electing nonresident partner, shareholder, member or beneficiary's election to be included on Form RI-1040C, *Rhode Island Composite Income Tax Return*.

**Who May Elect:** Any individual who is a qualified electing nonresident member in a pass-through entity doing business in Rhode Island or having income, gain, loss, or deduction derived from or connected with sources within Rhode Island is eligible to elect to be included in a composite income tax return (Form RI-1040C) filed by the pass-through entity. A pass-through entity is eligible to file Form RI-1040C for a taxable year only if all of the qualified electing nonresident members have the same taxable year.

This election may be made by any individual who is a nonresident:

Partner in a partnership doing business in Rhode Island or having income, gain, loss, or deduction derived from or connected with sources within Rhode Island; **or**

Shareholder in an S corporation doing business in Rhode Island or having income, gain, loss, or deduction derived from or connected with sources within Rhode Island; **or**

Member of an LLC treated as a partnership for federal income tax purposes and doing business in Rhode Island or having income, gain, loss, or deduction derived from or connected with sources within Rhode Island; **or**

Beneficiary of a trust or estate having income, gain, loss, or deduction derived from or connected with sources within Rhode Island.

**NOTE:** The filing of a composite return will be considered as meeting the filing requirements otherwise separately imposed on each qualified electing nonresident member resulting exclusively from this income. Qualifying electing nonresident members who are included on Form RI-1040C, are not required to file Form RI-1040NR. The Division of Taxation retains the right to require the filing of an individual Rhode Island income tax return by any of the members. However, a qualified electing nonresident member may not elect to be included in a composite return, after the fifteenth day of the fourth month following the close of the entity's taxable year.

**Terms Applicable to Partners of a Partnership, Shareholders of an S Corporation, Members of an LLC, and to Beneficiaries of Trusts or Estates:**

For a Partnership, the nonresident partner's distributive share of partnership income derived from or connected with sources within Rhode Island.

For an S Corporation, each nonresident shareholder's pro rata share of income, gain, loss, and deduction derived from or connected with sources within Rhode Island.

For an LLC, each nonresident member's distributive share of income, gain, loss, and deduction (net of modifications) derived from or connected with sources within Rhode Island.

For a Trust or an Estate, each nonresident beneficiary's share of trust or estate income, gain, loss, and deduction (net of modifications) derived from or connected with sources within Rhode Island.

**When and Where to File:** A qualified nonresident member electing to be included in a composite tax return must submit a completed Form RI-1040C-NE to the pass-through entity prior to the filing of Form RI-1040C by the pass-through entity. The due date for Form RI-1040C is the fifteenth day of the fourth month following the close of the taxable year of the qualified electing nonresident members. The pass-through entity must keep Form RI-1040C-NE in its permanent records and make them available to the Division of Taxation upon request. **Form RI-1040C-NE filed beginning on or after the first day of the taxable year, will be effective for that taxable year and for all following taxable years, unless the qualified electing nonresident partner revokes the agreement by providing written notice of the revocation to the pass-through entity.** Any revocation shall be effective the taxable year after the date written notification is provided to the pass-through entity. **The pass-through entity must keep and maintain such written notices in its permanent records, and make them available to the Division of Taxation upon request.**

**DECLARATION:** I declare that I meet all of the following conditions for the taxable year: I was a nonresident individual for the entire taxable year; I did not maintain a permanent place of abode in Rhode Island at any time during the taxable year; neither I nor my spouse (if a joint federal income tax return is or will be made) had income derived from or connected with Rhode Island sources other than my distributive share of pass-through entity income derived from or connected with sources within Rhode Island for the taxable year; I waive my right to claim any Rhode Island standard or itemized deduction, any personal exemption and any percentage of allowable Federal credits for the taxable year; I waive my right to request an extension of time to pay the Rhode Island income tax; I consent and agree to be subject to personal jurisdiction in Rhode Island for purposes of the collection of Rhode Island income tax, together with and additions to tax, interest and penalties, for the taxable year; and I authorize the pass-through entity to designate a member who will act as my agent (and that of the other qualified electing nonresident members) in filing the composite return.

This agreement shall be binding upon my heirs, representatives, assigns, successors, executors and administrators.

\_\_\_\_\_  
Your signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Spouse's signature

\_\_\_\_\_  
Date