



Rhode Island Department of Revenue

Division of Taxation

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GRANT PROGRAM

ADVISORY FOR TAX PROFESSIONALS
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Division modifies RI Pause grant program's formula for certain businesses

Applicants who have already applied but would like to use alternate formula must reapply

PROVIDENCE, R.I. – In response to concerns raised by the impacted business community, the Rhode Island Division of Taxation has modified the Rhode Island on Pause Grant Program to provide certain industries the option to report the tax filer's Rhode Island gross receipts. Businesses eligible to use Gross Receipts include: Indoor Recreation and Entertainment Establishments, Gyms and Fitness Centers, Indoor Sports Facilities, and Event Support Professionals.

Under the modification, the applicant may select whether the award determination should use Rhode Island Net Taxable Income or Rhode Island Gross Receipts as the basis of the determination. Businesses who select Gross Receipts must provide a copy of their 2019 Federal Tax Return and in some instances financial documents detailing Rhode Island Gross Receipts.

Applicants who already applied but would like to have their award determination based on Gross Receipts must reapply (Restaurants, Bars, Caterers, and Food Trucks are not impacted by this change and should NOT reapply). "Reapplying may take additional effort, but the result is likely to be an increased grant payment, as you may select to have the determination of your grant amount be based on gross receipts," said Tax Administrator Neena Savage. The Division has updated its online application and FAQs accordingly.

What do I need to Submit Under the New Formula

If you would like to submit your Gross Receipts and are an Indoor Recreation or Entertainment Establishment, Gym or Fitness Center, Indoor Sports Facility, or an Event Support Professional, you will need to have the following additional information available to file a complete and accurate application:

- Copy of your federal tax return;
- Your total Federal gross receipts amount, as provided on your federal tax return;
- Your total Rhode Island gross receipts amount; and
- Additional financial business records to confirm your Rhode Island gross receipts amount, if your Federal and Rhode Island gross receipts do NOT match or if your federal gross receipts include receipts generated from businesses located outside of Rhode Island.

If you have not yet submitted an application and would like to take advantage of the gross receipts option, you should select "gross receipts" when prompted in the application.

WHAT'S NEW

Rhode Island Governor Gina M. Raimondo last week launched a grant program to provide relief to certain businesses that are subject to restrictions amid the coronavirus (COVID-19) pandemic. The Division of Taxation has now modified the formula options used to provide grants to certain affected businesses, which is expected to provide for increased award amounts.

If you have already applied and would like to take advantage of the gross receipts option, you **must** reapply and select “gross receipts” when prompted.

- ✓ If you reapply, your new application will automatically replace your original application. If you do not reapply, your grant application will continue to be calculated based on the old formula, involving net taxable income.
- ✓ The Division is in the process of contacting each affected applicant in the second category described above to let them know about the modification and the benefits of reapplying.
- ✓ Businesses that choose to reapply should keep in mind that their **applications must be filed on or before the deadline of Friday, December 11, 2020**. (That is also the deadline for businesses that have yet to file applications.)

The newly updated application can be accessed online – and completed and submitted online – through the Rhode Island Division of Taxation’s webpage: <http://www.tax.ri.gov/RlonPause/>.

The webpage also includes updated FAQs, which provide additional information for businesses and their advisors. Those with any questions should refer to the updated FAQs and other information on the Division’s “Rhode Island on Pause” webpage, or email: Tax.Excise@tax.ri.gov.

Status of grants

Since the new grant program was launched, the Division has received numerous applications. The Division continues to review them and is processing them as quickly as possible. The Division has temporarily reassigned a number of Division staff members to assist with the process. The Division will mail a check to a qualifying applicant as soon as the Division completes the processing of the application.

“Many people, including many businesses, have suffered as a result of the global pandemic and the resulting restrictions. Governor Raimondo’s plan is to provide aid to these affected businesses as quickly as possible. The Governor urges that the grants be used to keep businesses going and keep people on the payroll,” Savage said.

The Rhode Island Division of Taxation office is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <http://www.tax.ri.gov/contact/>.
