

Income/Franchise:

Rhode Island: Duration of Emergency Withholding Rules for Pandemic-Related Telecommuting Revised

Regulation 280-RICR-20-55-14 "Withholding for Employees Working Remotely During the COVID-19 State of Emergency," R.I. Div. of Tax. (7/21). The Rhode Island Division of Taxation (Division) revised the duration of its emergency regulation that first came into effect on May 23, 2020, and which provides tax withholding guidance for employers that have employees who are temporarily working remotely due to the COVID-19 pandemic, through to September 13, 2021 rather than September 15, 2021 (note that, originally, this emergency regulation was scheduled to expire on November 18, 2020, then subsequently was extended through to January 18, 2021, then March 19, 2021, then May 18, 2021, and then July 17, 2021). According to the Division's corresponding advisory guidance [see Advisory 2020-22 (5/26/20)], this emergency regulation "temporarily simplifies the tax withholding process with regard to remote working." Under the emergency regulation, the income of employees who are nonresidents temporarily working outside of Rhode Island solely due to the pandemic generally will continue to be treated as Rhode Island-source income for Rhode Island withholding tax purposes. Additionally, under the emergency regulation, Rhode Island generally will not require employers located outside of Rhode Island to withhold Rhode Island income taxes from the wages of employees who are Rhode Island residents temporarily working within Rhode Island solely due to the COVID-19 pandemic. Please contact us with any questions.

URL: <https://rules.sos.ri.gov/regulations/part/280-20-55-14>

URL: http://www.tax.ri.gov/Advisory/ADV_2020_22.pdf

— Mike Degulis (Boston)
Principal
Deloitte Tax LLP
mdegulis@deloitte.com

Zsuzsanna Goodman
Senior Manager (Boston)
Deloitte Tax LLP
zgoodman@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.