



Rhode Island Department of Revenue

Division of Taxation

ADV 2023-05
Tax Administration

ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS
February 14, 2023

Guidance on Rhode Island tax treatment of Child Tax Rebates

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today provides guidance explaining that the Child Tax Rebates issued by Rhode Island are not taxable for federal tax purposes.¹ On Friday February 10, 2023, the Internal Revenue Service (IRS) released a statement clarifying the federal treatment of special tax payments made by 21 states, including Rhode Island.

The IRS determined that it will not be challenging the taxability of payments related to general welfare and disaster relief and the Child Tax Rebate payments issued by Rhode Island do not need to be reported on the federal 2022 Personal Income Tax return. Please refer to the [IRS's recent news release](#) for further details.

This guidance is in line with the guidance that the Division has provided since August 1, 2022. Per the Division's FAQ regarding the Child Tax Rebate program, the taxability of the rebate was to be determined by the IRS and if the rebate was included within the federal adjusted gross income, then taxpayers were to use the 2022 RI Schedule M and report a decreasing modification.

Based upon preliminary review of 2022 RI personal income tax returns filed, the Division is issuing the following guidance regarding the following circumstances, related to the Child Tax Rebate.

The following circumstances apply to tax year 2022 filings:

- **Already filed, included the rebate on your federal return and completed the RI Schedule M:** If you already filed your federal personal income tax return for 2022, please refer to federal guidance on how to address your prior filing. If you filed the RI Schedule M and excluded the rebate, due to inclusion on the federal return, there is no need to file an amended RI return. The Division has the capabilities to identify and address these returns. The taxpayer does not need to take any further action.
- **Already filed, did not include the rebate federally:** Nothing further needs to be done by the taxpayer, regarding the rebate only. If there are other items that need to be addressed federally, please refer to IRS guidance or contact the IRS.
- **Not yet filed and received a RI-1099G related to the rebate:** If you received a RI-1099G related to the rebate, this form is for informational purposes only and please retain for your records. Do not include this amount as income on your federal return and please do not complete line 1v on the RI Schedule M.

Any specific questions related to the Child Tax Rebate may be directed to the Division's Personal Income Tax Section by email at: Tax.Assist@tax.ri.gov, or by phone at: 401-574-8829 option #3, between 8:30 a.m. and 3:30 p.m. business days.

¹ As noted in prior guidance, per R.I. Gen. Laws 44-30-12(c)(12), the Child Tax Rebates are not taxable for state tax purposes.