

2018 -- S 2525

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LC003825
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

RELATING TO TAXATION -- STATE TAX OFFICIALS

Introduced By: Senators Raptakis, Ciccone, Cote, Sheehan, and Picard

Date Introduced: March 01, 2018

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-1-7 of the General Laws in Chapter 44-1 entitled "State Tax
2 Officials" is hereby amended to read as follows:

3 **44-1-7. Interest on delinquent payments.**

4 (a) Whenever the full amount of any state tax or any portion or deficiency, as finally
5 determined by the tax administrator, has not been paid on the date when it is due and payable,
6 whether the time has been extended or not, there shall be added as part of the tax or portion or
7 deficiency interest at the rate as determined in accordance with subsection (b) of this section,
8 notwithstanding any general or specific statute to the contrary.

9 (b) Each January 1 the tax administrator shall compute the rate of interest to be in effect
10 for that calendar year by adding two percent (2%) to the prime rate, which was in effect on
11 October 1 of the preceding year. In no event shall the rate of interest exceed ~~twenty one percent~~
12 ~~(21%) per annum nor be less than eighteen percent (18%)~~ twelve percent (12%) per annum.

13 (c) "Prime rate" as used in subsection (b) of this section means the predominant prime
14 rate quoted by commercial banks to large businesses as determined by the board of governors of
15 the Federal Reserve System.

16 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would place a maximum twelve percent (12%) per annum interest rate cap on
- 2 delinquent tax payments for business corporation, sales and use, estate and personal income taxes.
- 3 This act would take effect upon passage.

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