

2020 -- H 7500

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

RELATING TO TAXATION - STATE TAX OFFICIALS - SALES AND USE TAXES --  
ENFORCEMENT AND COLLECTION

Introduced By: Representatives Cortvriend, Shekarchi, Amore, Carson, and Nardone

Date Introduced: February 07, 2020

Referred To: House 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%) 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 (d) Payment of any tax to the state or any amount of tax required to be collected and paid  
17 to the state shall be paid no later than midnight of the date when such tax is due and payable.

18 (e) Upon request to the tax administrator, payment of any tax referred to in subsection (d)

1 [of this section, may be extended for a period of twenty-four \(24\) hours.](#)

2 SECTION 2. Section 44-19-20 of the General Laws in Chapter 44-19 entitled "Sales and  
3 Use Taxes - Enforcement and Collection" is hereby amended to read as follows:

4 **44-19-20. Interest and penalties on delinquent payments.**

5 (a) Any person who fails to pay any tax to the state or any amount of tax required to be  
6 collected and paid to the state, except amounts of determinations made by the tax administrator  
7 under §§ 44-19-11 -- 44-19-14 within the required time shall pay a penalty of ten percent (10%)  
8 of the tax or amount of the tax, in addition to the tax or amount of the tax, plus interest at the  
9 annual rate provided by § 44-1-7 from the date on which the tax or amount of the tax required to  
10 be collected became due and payable to the state until date of payment.

11 (b) [Payment of any tax to the state or any amount of tax required to be collected and paid](#)  
12 [to the state shall be paid no later than midnight of the date when such tax is due and payable.](#)

13 (c) [Upon request to the tax administrator, payment of any tax referred to in subsection \(b\)](#)  
14 [of this section, may be extended for a period of twenty-four \(24\) hours.](#)

15 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO TAXATION - STATE TAX OFFICIALS - SALES AND USE TAXES --  
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- 1 This act would allow any tax payments to be paid by midnight of the date the tax is due.
- 2 This act would also provide for a twenty-four (24) hour extension of time to pay the tax.
- 3 This act would take effect upon passage.

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