

2020 -- H 7533

=====  
LC004425  
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

—————  
A N A C T

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

Introduced By: Representatives Carson, Cortvriend, and Amore

Date Introduced: February 12, 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. (1) There shall be added to~~  
13 ~~the amount shown as tax on a return for which the full amount of any state tax or any portion or~~  
14 ~~deficiency has not been paid up to thirty (30) days beyond date in which the payment became due~~  
15 ~~and payable, or any fraction thereof which failure continues, a penalty of five percent (5%) of the~~  
16 ~~amount of such tax;~~

17 (2) There shall be added to the amount shown as tax on a return for which the full amount  
18 of any state tax or any portion or deficiency has not been paid in an excess of thirty (30) days up

1 to sixty (60) days, or any fraction thereof which failure continues, a penalty of seven and one-half  
2 percent (7.5%) of the amount of such tax;

3 (3) There shall be added to the amount shown as tax on a return for which the full amount  
4 of any state tax or any portion or deficiency has not been paid in an excess of sixty (60) days or  
5 more, which failure continues, a penalty of ten percent (10%) of the amount of such tax.

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

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

11 **44-19-20. Interest and penalties on delinquent payments.**

12 (a) Any person who fails to pay any tax to the state or any amount of tax required to be  
13 collected and paid to the state, except amounts of determinations made by the tax administrator  
14 under §§ 44-19-11 -- 44-19-14 within the required time shall pay a penalty of ~~ten percent (10%)~~  
15 five percent (5%) of the tax or amount of the tax, in addition to the tax or amount of the tax, plus  
16 interest at the annual rate provided by § 44-1-7 from the date on which the tax or amount of the  
17 tax required to be collected became due and payable to the state until ~~date of payment~~ thirty (30)  
18 days from the date on which the tax or amount of the tax required to be collected became due and  
19 payable to the state; shall pay a penalty of seven and one-half percent (7.5%) of the tax or amount  
20 of the tax, in addition to the tax or amount of the tax, plus interest at the annual rate provided by §  
21 44-1-7 from thirty-one (31) days from the date on which the tax or amount of the tax required to  
22 be collected became due and payable to the state until sixty (60) days from the date on which the  
23 tax or amount of the tax required to be collected became due and payable to the state; shall pay a  
24 penalty of ten percent (10%) of the tax or amount of the tax, in addition to the tax or amount of  
25 the tax, plus interest at the annual rate provided by § 44-1-7 from sixty-one (61) days from the  
26 date the tax required to be collected became due and payable to the date until date of payment.

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

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

=====  
LC004425  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

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

\*\*\*

1           This act would provide that a tax payment shall be paid by midnight on the date in which  
2 the tax becomes due and payable. It provides for penalties of five percent (5%) for taxes  
3 remaining unpaid from date such tax became due and payable up to thirty (30) days beyond the  
4 due date; seven and one-half percent (7.5%) for taxes remaining unpaid from thirty-one (31) days  
5 from the date such tax became due and payable up to sixty (60) days; and ten percent (10%) for  
6 taxes remaining unpaid from sixty-one days from the date such tax became due and payable and  
7 beyond.

8           This act would take effect upon passage.

=====  
LC004425  
=====