

2022 -- H 7337

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO TAXATION - BUSINESS CORPORATION TAX

Introduced By: Representatives McEntee, Cortvriend, Caldwell, Slater, Carson, and Phillips

Date Introduced: February 04, 2022

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-11-7 and 44-11-26 of the General Laws in Chapter 44-11 entitled
2 "Business Corporation Tax" are hereby amended to read as follows:

3 **44-11-7. Interest on delinquency payments.**

4 (a) If any tax imposed by this chapter is not paid when due, a taxpayer shall be required to
5 pay as part of the tax interest on the tax at the annual rate provided by § 44-1-7 from that time.

6 (b) Any interest payment due from a taxpayer employing less than one hundred (100)
7 employees, as a result of an audit conducted during the period of a COVID emergency declaration
8 by the governor, shall be suspended during such period and continue for one year after the
9 termination of the emergency declaration.

10 **44-11-26. Pecuniary penalty for failure to file return or to pay tax or for negligence.**

11 (a) In the case of any failure to file a return within the time prescribed by law, there shall
12 be added to the tax five percent (5%) if the failure is for not more than one month, with an additional
13 five percent (5%) for each additional month or fraction of a month during which the failure
14 continues, not exceeding twenty-five percent (25%) in the aggregate, except that when a return is
15 filed after the time prescribed by law and it is shown that the failure to file the return at the
16 prescribed time was due to reasonable cause and not due to willful neglect, no addition to the tax
17 shall be made.

18 (b) In the case of any failure to pay the tax as imposed by this chapter with the return on or
19 before the date prescribed by law (determined with regard to any extension of time for payment),

1 there shall be added to the amount shown as tax on the return five-tenths percent (0.5%) of the
2 amount of the tax if the failure is for not more than one month, with an additional five-tenths percent
3 (0.5%) for each additional month or fraction of a month during which the failure continues, not
4 exceeding twenty-five percent (25%) in the aggregate, except that when the failure is due to
5 reasonable cause and not to willful neglect, no addition to the tax shall be made.

6 (c) In the case of any failure to pay any amount in respect of any tax required to be shown
7 on a return, which is not shown, including an assessment made as a result of mathematical error,
8 within thirty (30) days of the date of the notice and demand, there shall be added to the amount of
9 tax stated in the notice and demand five-tenths percent (0.5%) of the amount of the tax if the failure
10 is for not more than one month, with an additional five-tenths percent (0.5%) for each additional
11 month or fraction of a month during which the failure continues, not exceeding twenty-five percent
12 (25%) in the aggregate, except that when the failure is due to reasonable cause and not to willful
13 neglect, no addition to the tax shall be made.

14 (d) If any part of a deficiency is due to negligence or intentional disregard of the Rhode
15 Island business corporation tax law or rules or regulations hereunder, but without intent to defraud,
16 five percent (5%) of that part of the deficiency shall be added to the tax. This amount shall be in
17 lieu of any other additional amount imposed by subsection (b) of this section.

18 (e) Any penalty due from a taxpayer employing less than one hundred (100) employees, as
19 a result of an audit conducted during the period of a COVID emergency declaration by the
20 governor, shall be suspended during such period and continue for one year after the termination of
21 the emergency declaration.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
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1 This act would suspend interest and penalty payments due from a taxpayer with less than
2 one hundred (100) employees as a result of an audit conducted during a COVID emergency
3 declaration and continuing until one year after the emergency declaration is lifted.

4 This act would take effect upon passage.

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