

2024 -- H 7996

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LC005414
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

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A N A C T

RELATING TO TAXATION -- STATE TAX OFFICIALS

Introduced By: Representatives McEntee, Fogarty, Tanzi, Dawson, Casey, Cortvriend,
O'Brien, Handy, Casimiro, and Edwards

Date Introduced: March 05, 2024

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 October
11 1 of the preceding year, except:

12 (1) Before January 1, 2023, in no event shall the rate of interest exceed twenty-one percent
13 (21%) per annum nor be less than eighteen percent (18%) per annum;

14 (2) On and after January 1, 2023, in no event shall the rate of interest exceed ~~twenty-one~~
15 ~~percent (21%) per annum nor be less than~~ twelve percent (12%) per annum ~~except.~~

16 ~~(i) For trust fund taxes as established by §§ 44-19-35 and 44-30-76, in no event shall the~~
17 ~~rate of interest exceed twenty-one percent (21%) per annum nor be less than eighteen percent (18%)~~
18 ~~per annum.~~

19 (c) "Prime rate" as used in subsection (b) of this section means the predominant prime rate

1 quoted by commercial banks to large businesses as determined by the board of governors of the
2 Federal Reserve System.

3 (d) Notwithstanding any provisions of the general laws to the contrary, the tax
4 administrator shall waive interest and penalty on the taxable portion of each Paycheck Protection
5 Program loan taxed pursuant to §§ 44-11-11(a)(1)(iv), 44-14-11, and 44-30-12(b)(8) and forgiven
6 during tax year 2020 provided that the tax on that portion is paid in full on or before March 31,
7 2022. The tax administrator shall make available suitable forms with instructions for making tax
8 payments on the taxable portion of such forgiven Paycheck Protection Program loans.

9 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 reduce the interest rate on delinquent payments to twelve percent (12%) per
2 annum.

3 This act would take effect upon passage.

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