

2024 -- H 7930

LC005376

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO TAXATION -- STATE TAX OFFICIALS

Introduced By: Representatives Casey, Finkelman, Solomon, Phillips, J. Brien,  
Chippendale, Dawson, and McEntee

Date Introduced: March 04, 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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RELATING TO TAXATION -- STATE TAX OFFICIALS

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- 1           This act would reduce the minimum interest rate on delinquent payments from eighteen
- 2   percent (18%) per annum to twelve percent (12%) per annum.
- 3           This act would take effect upon passage.

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