2019 -- H 5606

STATE   OF   RHODE   ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N   A C T

RELATING TO TAXATION - COMPLIANCE OF PUBLIC EMPLOYEES WITH STATE INCOME TAX

Introduced By: Representatives Cortvriend, Carson, Fogarty, Canario, and Tanzi

Date Introduced: February 27, 2019

Referred To: House Finance

(by request)

It is enacted by the General Assembly as follows:

1   SECTION 1. Section 44-69-3 of the General Laws in Chapter 44-69 entitled

2 "Compliance of Public Employees With State Income Tax Act" is hereby amended to read as

3 follows:

4   **44-69-3. Administration.**

5   (a) The department of administration ~~and all political subdivisions~~ shall, not later than

6 August 1, 2014, and August 1 of each year thereafter, provide to the tax administrator a list of all

7 public employees as of the preceding July 1 and such identifying information as may be required

8 by the tax administrator. Such list and information shall be used by the tax administrator

9 exclusively for the purpose of collection of income taxes due to the state of Rhode Island.

10   (b) The tax administrator shall, not later than December 1, 2014, and December 1 of each

11 year thereafter, notify any public employee who is not in compliance with the income tax laws of

12 this state. Such notification shall include:

13   (1) A statement that the employee will be subject to mandatory garnishment of wages by

14 the state controller, unless the taxpayer is deemed by the tax administrator to be in compliance

15 with the income tax laws of this state;

16   (2) The reasons that the taxpayer is considered to be out of compliance with the income

17 tax laws of this state, including a statement of the amount of any tax, penalties and interest due, or

18 a list of the tax years for which income tax returns have not been filed, as required by law;

1   (3) An explanation of the rights of the taxpayer and the procedures which must be

2   followed by the taxpayer in order to come into compliance with the income tax laws of this state;

3   and

4   (4) Such other information as may be deemed necessary by the tax administrator.

5   (c) A public employee who has entered into and is abiding by a payment agreement, or

6   who has requested relief as an innocent spouse, which request is pending or has been granted,

7   shall be deemed to be in compliance with the state income tax laws for purposes of this section.

8   (d) If the tax administrator notifies a public employee who is not in compliance with the

9   income tax laws of this state as required in this section and such public employee does not

10   respond to such notification or fails to come into compliance with the income tax laws of this

11   state after an assessment has been made final or after the tax administrator determines that every

12   reasonable effort has been made to assist the public employee to come into compliance with the

13   income tax laws of this state, the tax administrator shall so notify the state controller or political

14   subdivision, which shall commence mandatory garnishment of the public employee's wages and

15   shall notify the employee of the reason for such action. If a public employee, who has been

16   previously reported by the tax administrator to a state agency or the political subdivision as being

17   out of compliance, comes into compliance, the tax administrator shall immediately notify the

18   state controller or the political subdivision. Neither a state agency or the political subdivision nor

19   an appointing authority shall be held liable for any action with respect to a public employee

20   pursuant to the provisions of this section.

21   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 eliminate the requirement that political subdivisions provide a list of all

2   public employees to the tax administrator by August 1 of each year as of July 1 of preceding year.

3   This act would take effect upon passage.

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