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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

RELATING TO TAXATION -- STATE TAX OFFICIALS

Introduced By: Representative Marvin L. Abney

Date Introduced: February 12, 2020

Referred To: House Finance

(Dept. of Revenue)

It is enacted by the General Assembly as follows:

1           SECTION 1. Chapter 44-1 of the General Laws entitled "State Tax Officials" is hereby  
2 amended by adding thereto the following section:

3           **44-1-31.2. Electronic filing of withholding tax returns and penalties.**

4           (a) For the purposes of this chapter, "larger business registrant" means any person who:

5           (1) Operates as a business whose combined annual liability for all taxes administered by  
6 the division of taxation for the entity is or exceeds five thousand dollars (\$5,000); or

7           (2) Operates as a business whose annual gross income is over one hundred thousand  
8 dollars (\$100,000) for the entity.

9           (b) Beginning on January 1, 2021, any person defined as a "larger business registrant" is  
10 required to file returns and remit taxes to the state of Rhode Island electronically.

11           (c) Beginning on January 1, 2021, if any person fails to pay said taxes by electronic funds  
12 transfer or other electronic means defined by the tax administrator as required hereunder, there  
13 shall be added to the amount of tax the lesser of five percent (5%) of the tax liability amount that  
14 was not filed electronically or five hundred dollars (\$500), whichever is less, unless there was  
15 reasonable cause for the failure and such failure was not due to negligence or willful neglect.

16           (d) Notwithstanding the provisions of § 44-1-31.2(c), beginning on January 1, 2021, if  
17 any person fails to file a return by electronic means defined by the tax administrator as required  
18 hereunder, there shall be added to the amount of tax equal to fifty dollars (\$50.00), unless there  
19 was reasonable cause for the failure and such failure was not due to negligence or willful neglect.

1 SECTION 2. This act shall take effect on July 1, 2020.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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1           This act would require electronic filing of returns and remittance of payments for certain  
2 larger business registrants: (1) Businesses whose combined annual liability for wage withholding,  
3 sales/use tax, and other transactional taxes at or exceeding five thousand dollars (\$5,000); or (2)  
4 Business entities whose annual gross income is over one hundred thousand dollars \$100,000).

5           This act would take effect on July 1, 2020.

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