

2021 -- H 6071

LC002103

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO A TAXATION – BUSINESS CORPORATION TAX

Introduced By: Representatives McEntee, Cortvriend, Caldwell, Carson, Costantino,
Phillips, and McNamara

Date Introduced: March 03, 2021

Referred To: House Finance

(General Treasurer)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-11-6 of the General Laws in Chapter 44-11 entitled "Business
2 Corporation Tax" is hereby amended to read as follows:

3 **44-11-6. Determination and payment of tax due -- Hearings and redeterminations.**

4 (a) At the time of the filing of the return, the taxpayer shall pay to the tax administrator the
5 amount of the tax as computed by it on the basis of its net income under § 44-11-2(a) or other
6 provision as applicable. As soon as possible after the filing of the return, the tax administrator shall
7 determine the correct tax payable under this chapter by the taxpayer, and if the tax determined shall
8 exceed the amount which the taxpayer has paid at the time of filing its return, the tax administrator
9 shall mail to the taxpayer a notice of the additional tax due indicating the basis on which the tax
10 was determined.

11 (b) If any taxpayer is not satisfied with the amount of tax determined, the tax administrator,
12 upon being notified, in writing, within thirty (30) days from the date of the mailing of the notice,
13 shall fix an early date at his or her office when the taxpayer can be heard to show cause why the
14 tax should be changed, and after which the tax administrator may redetermine the amount of that
15 tax.

16 (c) If it shall appear subsequent to the mailing of any notice that the amount of the tax was
17 erroneously stated, the tax administrator shall mail a corrected notice and fix a day when the
18 taxpayer can be heard.

19 (d) The additional tax required to be paid by any taxpayer shall be due and payable within

1 thirty (30) days after the mailing of the notice or corrected notice by the tax administrator.

2 (e) Taxpayer services division. The taxpayer services division shall offer a free program
3 on a voluntary basis to assist taxpayers in proper recordkeeping, information required to be
4 reported, taxes owed, and taxes to be collected and remitted.

5 (1) The program shall be in the form of a discussion between the taxpayer and a division
6 consultant at the taxpayer's place of business, by phone or virtually at the discretion of the taxpayer.
7 There will be no examination of the taxpayer's records during the consultation.

8 (2) The division consultant shall prepare a report of recommendations which will be
9 reviewed by the department of revenue and the division of taxation for accuracy. It will then be
10 shared with the taxpayer to be implemented in to the taxpayer's daily operations. The taxpayer shall
11 not be penalized in any way if the recommendations are determined to be inaccurate.

12 (3) The taxpayer shall not be audited for one year following the consultation, unless the
13 taxpayer is engaging in fraudulent or egregious behavior.

14 (4) The director of the department of revenue shall meet with the tax administrator to
15 formulate a program and adopt all rules and regulations necessary for the administration and
16 enforcement of this section. A proposal on how to meet these objectives shall be presented to the
17 general assembly on or before June 1, 2021.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO A TAXATION – BUSINESS CORPORATION TAX

- 1 This act would provide for the creation of a taxpayer services division to assist taxpayers
- 2 in the proper recordkeeping, reporting and remitting of income taxes.
- 3 This act would take effect upon passage.

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