

2021 -- S 0294

LC001595

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO TAXATION -- TAX AMNESTY

Introduced By: Senators Ciccone, McCaffrey, Ruggerio, Goodwin, and Cano

Date Introduced: February 18, 2021

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 6.6

4 RHODE ISLAND TAX AMESTY ACT OF 2021

5 **44-6.6-1. Short title.**

6 This chapter shall be known as the "Rhode Island Tax Amnesty Act of 2021".

7 **44-6.6-2. Definitions.**

8 As used in this chapter, the following terms have the meaning ascribed to them in this
9 section, except when the context clearly indicates a different meaning:

10 (1) "Taxable period" means any period for which a tax return is required by law to be filed
11 with the tax administrator.

12 (2) "Taxpayer" means any person, corporation, or other entity subject to any tax imposed
13 by any law of the state of Rhode Island and payable to the state of Rhode Island and collected by
14 the tax administrator.

15 **44-6.6-3. Establishment of tax amnesty.**

16 (a) The tax administrator shall establish a tax amnesty program for all taxpayers owing any
17 tax imposed by reason of or pursuant to authorization by any law of the state of Rhode Island and
18 collected by the tax administrator. Amnesty tax return forms shall be prepared by the tax
19 administrator and shall provide for identification by the taxpayer of the tax and the taxable period

1 for which amnesty is being sought by the taxpayer.

2 (b) The amnesty program shall be conducted for a ninety (90) day period established by
3 the tax administrator in the state fiscal year 2021-2022. The amnesty program shall provide that
4 upon written application by any taxpayer and payment by the taxpayer of all taxes and interest due
5 from the taxpayer to the state of Rhode Island for any taxable period ending prior to April 1, 2021,
6 the tax administrator shall not seek to collect any penalties which may be applicable and shall not
7 seek civil or criminal prosecution of any taxpayer of the taxable period, for which amnesty has been
8 granted. Amnesty shall be granted only to those taxpayers applying for amnesty during the amnesty
9 period, who have paid the tax and interest due upon filing the amnesty tax return, or who have
10 entered into an installment payment agreement for reasons of financial hardship, upon the terms
11 and conditions set by the tax administrator. In the case of the failure of a taxpayer to pay any
12 installment at the time the installment payment is due under the agreement, the agreement shall
13 cease to be effective and the balance of the amounts required to be paid under this agreement shall
14 be due immediately. Failure to pay all amounts under the agreement, due to the state of Rhode
15 Island, shall invalidate any amnesty granted pursuant to this chapter. Amnesty shall be granted for
16 only the taxable period specified in the application and only if all amnesty conditions are satisfied
17 by the taxpayer.

18 (c) Amnesty shall not be granted to taxpayers who are a party to any criminal investigations
19 or to any civil or criminal litigation which is pending in any court of the United States or the state
20 of Rhode Island for nonpayment, delinquency, or fraud, in relation to any state tax imposed by any
21 law of the state and collected by the tax administrator.

22 **44-6.6-4. Interest under tax amnesty.**

23 Notwithstanding any provision of law to the contrary, interest on any taxes paid for periods
24 covered under the amnesty provisions of this chapter, shall be computed at the rate imposed under
25 § 44-1-7, reduced by twenty-five percent (25%).

26 **44-6.6-5. Appropriation.**

27 There is hereby appropriated, out of any money in the treasury not otherwise appropriated
28 for the 2022 fiscal year, the sum of three hundred thousand dollars (\$300,000) to the division of
29 taxation to carry out the purposes of this chapter. The state controller is hereby authorized and
30 directed to draw his or her orders upon the general treasurer for the payment of the sum or so much
31 thereof as may be required from time to time and upon receipt by him or her of properly
32 authenticated vouchers.

33 **44-6.6-6. Implementation.**

34 Notwithstanding any provision of law to the contrary, the tax administrator may do all

1 things necessary in order to provide for the timely implementation of this chapter, including, but
2 not limited to, procurement of printing and other services and expenditure of appropriated funds as
3 provided for in §44-6.6-5.

4 **44-6.6-7. Disposition of monies.**

5 (a) Except as provided in subsection (b) of this section, all monies collected pursuant to
6 any tax imposed by the state of Rhode Island, under the provisions of this chapter shall be accounted
7 for separately and paid into the general fund.

8 (b) Monies collected for the establishment of the tdi reserve fund (§ 28-39-7), the
9 employment security fund (§ 28-42-18), the employment security interest fund (§ 28-42-75), the
10 job development fund (§ 28-42-83), and the employment security reemployment fund (§ 28-42-87)
11 shall be deposited in said respective funds.

12 **44-6.6-8. Analysis of amnesty program by tax administrator.**

13 The tax administrator shall provide an analysis of the amnesty program to the chairpersons
14 of the house finance committee and senate finance committee, with copies to the members of the
15 revenue estimating conference, by April 30, 2022. The report shall include an analysis of revenues
16 received by tax source, distinguishing between the tax collected and interest collected for each
17 source. In addition, the report shall further identify the amounts that are new revenues from those
18 already included in the general revenue receivable taxes, defined under generally accepted
19 accounting principles and the state's audited financial statements.

20 **44-6.6-9. Rules and regulations.**

21 The tax administrator may promulgate such rules and regulations as are necessary to
22 implement the provisions of this chapter.

23 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 -- TAX AMNESTY

1 This act would create a ninety (90) day tax amnesty program in the state fiscal year 2021-
2 2022.

3 This act would take effect upon passage.

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