

2022 -- S 2263 SUBSTITUTE A

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LC004628/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO TAXATION -- STATE TAX OFFICIALS

Introduced By: Senator Roger Picard

Date Introduced: February 11, 2022

Referred To: Senate 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 ~~It~~ no event shall the rate of interest exceed twenty-one
13 percent (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 for trust fund
16 taxes as established by §§ 44-19-35 and 44-30-76, in no event shall the rate of interest exceed
17 twenty-one percent (21%) per annum nor be less than eighteen percent (18%) per annum.

18 (c) "Prime rate" as used in subsection (b) of this section means the predominant prime rate
19 quoted by commercial banks to large businesses as determined by the board of governors of the

1 Federal Reserve System.

2 (d) Notwithstanding any provisions of the general laws to the contrary, the tax
3 administrator shall waive interest and penalty on the taxable portion of each Paycheck Protection
4 Program loan taxed pursuant to §§ 44-11-11(a)(1)(iv), 44-14-11, and 44-30-12(b)(8) and forgiven
5 during tax year 2020 provided that the tax on that portion is paid in full on or before March 31,
6 2022. The tax administrator shall make available suitable forms with instructions for making tax
7 payments on the taxable portion of such forgiven Paycheck Protection Program loans.

8 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

1 This act would change the per annum range of the rate of interest for underpayments of
2 taxes. It would provide different ranges of rates for the periods before January 1, 2023, and for on
3 and after January 1, 2023, and also for certain trust fund taxes.

4 This act would take effect upon passage.

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