

2016 -- S 2273

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LC004383
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO TAXATION - TAX AMNESTY

Introduced By: Senators Pagliarini, Algiere, DiPalma, Sosnowski, and DaPonte

Date Introduced: February 09, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-6.1-1, 44-6.1-2, 44-6.1-3, 44-6.1-4, 44-6.1-5, 44-6.1-6, 44-6.1-
2 7 and 44-6.1-8 of the General Laws in Chapter 44-6.1 entitled "Tax Amnesty" are hereby
3 repealed.

4 ~~**44-6.1-1. Short title.** --- This chapter shall be known as the "Rhode Island Tax Amnesty~~
5 ~~Act".~~

6 ~~**44-6.1-2. Definitions.** --- As used in this chapter, the following terms have the meaning~~
7 ~~ascribed to them in this section, except when the context clearly indicates a different meaning:~~

8 ~~(1) "Taxable period" means any period for which a tax return is required by law to be~~
9 ~~filed with the tax administrator and for which no return has been previously filed or for which an~~
10 ~~erroneous return has been filed.~~

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

14 ~~**44-6.1-3. Establishment of tax amnesty.** --- (a) The tax administrator shall establish a tax~~
15 ~~amnesty program for all taxpayers owing any tax imposed by reason of or pursuant to~~
16 ~~authorization by any law of the state of Rhode Island and collected by the tax administrator.~~
17 ~~Amnesty tax return forms shall be prepared by the tax administrator and shall provide for~~
18 ~~specification by the taxpayer of the tax and the taxable period for which amnesty is being sought~~
19 ~~by the taxpayer.~~

1 ~~(b) The amnesty program shall be conducted for a ninety (90) day period established by~~
2 ~~the tax administrator in the state fiscal year 1986-1987. The amnesty program shall provide that~~
3 ~~upon written application by any taxpayer and payment by the taxpayer of all taxes and interest~~
4 ~~due from the taxpayer to the state of Rhode Island for any taxable period ending prior to April 1,~~
5 ~~1986, the tax administrator shall not seek to collect any penalties which may be applicable and~~
6 ~~shall not seek civil or criminal prosecution for any taxpayer for the taxable period for which~~
7 ~~amnesty has been granted. Amnesty shall be granted only to those taxpayers applying for amnesty~~
8 ~~during the amnesty period, who have paid the tax and interest due upon filing the amnesty tax~~
9 ~~return, or who have entered into an installment payment agreement for reasons of financial~~
10 ~~hardship upon the terms and conditions set by the tax administrator. In the case of the failure of a~~
11 ~~taxpayer to pay any installment at the time the installment payment is due under the agreement,~~
12 ~~the agreement shall cease to be effective and the balance of the amounts required to be paid under~~
13 ~~this agreement shall be due immediately. Failure to pay all amounts due to the state of Rhode~~
14 ~~Island shall invalidate any amnesty granted pursuant to this chapter. Amnesty shall be granted for~~
15 ~~only the taxable period specified in the application and only if all amnesty conditions are satisfied~~
16 ~~by the taxpayer.~~

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

21 **44-6.1-4. Interest under tax amnesty.** ~~--- Notwithstanding any general or specific statute~~
22 ~~to the contrary, interest on any taxes paid for periods covered under the amnesty provisions of~~
23 ~~this chapter shall be computed at the rate of eleven and one half percent (11.50%) annually from~~
24 ~~due date to time of payment.~~

25 **44-6.1-5. Amnesty provisions not applicable.** ~~--- The provisions of § 44-6.1-3 shall not~~
26 ~~apply to the underpayment of any tax imposed by any law for the state of Rhode Island, payable~~
27 ~~to the state of Rhode Island for any taxable period to the extent that before the written application~~
28 ~~for amnesty is filed:~~

29 ~~(1) The taxable period for which a written application for amnesty has been filed is~~
30 ~~currently under audit by the tax administrator; or~~

31 ~~(2) A notice of deficiency or bill with respect to the underpayment was mailed to the~~
32 ~~taxpayer.~~

33 **44-6.1-6. Appropriation.** ~~--- There is appropriated, out of any money in the treasury not~~
34 ~~otherwise appropriated for the fiscal year 1986-1987, the sum of one hundred thousand dollars~~

1 ~~(\$100,000) to the division of taxation to carry out the purposes of this chapter and the state~~
2 ~~controller is authorized and directed to draw his or her orders upon the general treasurer for the~~
3 ~~payment of the sum or so much of the sum as may be required from time to time upon receipt by~~
4 ~~him or her of properly authenticated vouchers.~~

5 ~~**44-6.1-7. Implementation.** -- Notwithstanding any provision of law to the contrary, the~~
6 ~~tax administrator may do all things necessary in order to provide for the timely implementation of~~
7 ~~this chapter, including but not limited to procurement of printing and other services and~~
8 ~~expenditure of appropriated funds as provided for in § 44-6.1-6.~~

9 ~~**44-6.1-8. Disposition of monies -- Rules and regulations.** -- (a) All monies collected~~
10 ~~pursuant to any tax imposed by the state of Rhode Island under the provisions of this chapter shall~~
11 ~~be accounted for separately and paid into the general fund.~~

12 ~~(b) The tax administrator shall promulgate rules and regulations as are necessary to~~
13 ~~implement the provisions of this chapter.~~

14 SECTION 2. Sections 44-6.2-1, 44-6.2-2, 44-6.2-3, 44-6.2-4, 44-6.2-5, 44-6.2-6 and 44-
15 6.2-7 of the General Laws in Chapter 44-6.2 entitled "Rhode Island Tax Amnesty Act" are hereby
16 repealed.

17 ~~**44-6.2-1. Short title.** -- This chapter shall be known as the "1996 Rhode Island Tax~~
18 ~~Amnesty Act".~~

19 ~~**44-6.2-2. Definitions.** -- As used in this chapter, the following terms have the meaning~~
20 ~~ascribed to them in this section, except when the context clearly indicates a different meaning:~~

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

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

26 ~~**44-6.2-3. Establishment of tax amnesty.** -- (a) The tax administrator shall establish a tax~~
27 ~~amnesty program for all taxpayers owing any tax imposed by reason of or pursuant to~~
28 ~~authorization by any law of the state of Rhode Island and collected by the tax administrator.~~
29 ~~Amnesty tax return forms shall be prepared by the tax administrator and shall provide for~~
30 ~~specificity by the taxpayer of the tax and the taxable period for which amnesty is being sought by~~
31 ~~the taxpayer.~~

32 ~~(b) The amnesty program shall be conducted for a seventy five (75) day period~~
33 ~~established by the tax administrator in the state fiscal year 1995-1996. The amnesty program shall~~
34 ~~provide that upon written application by any taxpayer and payment by the taxpayer of all taxes~~

1 and interest due from the taxpayer to the state of Rhode Island for any taxable period ending prior
2 to December 31, 1995, the tax administrator shall not seek civil or criminal prosecution for any
3 taxpayer for the taxable period for which amnesty has been granted. Amnesty shall be granted
4 only to those taxpayers applying for amnesty during the amnesty period, which have paid the tax
5 and interest due upon filing the amnesty tax return, or who has entered into an installment
6 payment agreement for reasons of financial hardship upon the terms and conditions set by the tax
7 administrator. In the case of the failure of a taxpayer to pay any installment at the time the
8 installment payment is due under the agreement, the agreement shall cease to be effective and the
9 balance of the amounts required to be paid under this agreement shall be due immediately. Failure
10 to pay all amounts due to the state of Rhode Island shall invalidate any amnesty granted pursuant
11 to this chapter. Amnesty shall be granted for only the taxable period specified in the application
12 and only if all amnesty conditions are satisfied by the taxpayer.

13 ~~(c) The provisions of this section shall include a taxable period for which a notice of~~
14 ~~deficiency determination or bill has been sent to the taxpayer and/or a taxable period in which an~~
15 ~~audit is completed but has not yet been billed.~~

16 ~~(d) Amnesty shall not be granted to taxpayers who are a party to any criminal~~
17 ~~investigation or to any civil or criminal litigation which is pending in any court of the United~~
18 ~~States or the state of Rhode Island for fraud in relation to any state tax imposed by any law of the~~
19 ~~state and collected by the tax administrator.~~

20 ~~**44-6.2-4. Interest under tax amnesty.** -- Notwithstanding any general or specific statute~~
21 ~~to the contrary, interest on any taxes paid for periods covered under the amnesty provisions of~~
22 ~~this chapter shall be computed at the rate of twelve percent (12%) annually from due to time of~~
23 ~~payment.~~

24 ~~**44-6.2-5. Implementation.** -- Notwithstanding any provision of law to the contrary, the~~
25 ~~tax administrator may do all things necessary in order to provide for the timely implementation of~~
26 ~~this chapter, including but not limited to procurement of printing and other services and~~
27 ~~expenditures of appropriated funds.~~

28 ~~**44-6.2-6. Disposition of monies -- Rules and regulations.** -- (a) All monies collected~~
29 ~~pursuant to any tax imposed by the state of Rhode Island under the provisions of this chapter shall~~
30 ~~be accounted for separately and paid into the general fund.~~

31 ~~(b) The tax administrator shall promulgate rules and regulations as are necessary to~~
32 ~~implement the provisions of this chapter.~~

33 ~~**44-6.2-7. Analysis of amnesty program by tax administrator.** -- The tax administrator~~
34 ~~shall provide an analysis of the amnesty program to the chairpersons of the house finance~~

1 ~~committee and senate finance committee with copies to the members of the revenue estimating~~
2 ~~conference by September 1, 1996. The report shall include an analysis of revenues received by~~
3 ~~tax source, distinguishing between the tax collected and interest collected for each source. In~~
4 ~~addition, the report shall further delineate the amounts that are new revenues from that already~~
5 ~~included in the general revenue receivable taxes defined under generally accepted accounting~~
6 ~~principles and the state's audited financial statements. The auditor general shall include review of~~
7 ~~the analysis as part of the activities involved in preparation of the combined annual financial~~
8 ~~report for fiscal year 1996.~~

9 SECTION 3. Sections 44-6.3-1, 44-6.3-2, 44-6.3-3, 44-6.3-4, 44-6.3-5, 44-6.3-6, 44-6.3-
10 7, 44-6.3-8 and 44-6.3-9 of the General Laws in Chapter 44-6.3 entitled "2006 Rhode Island Tax
11 Amnesty Act" are hereby repealed.

12 ~~**44-6.3-1. Short title.** --- This chapter shall be known as the "2006 Rhode Island Tax~~
13 ~~Amnesty Act".~~

14 ~~**44-6.3-2. Definitions.** --- As used in this chapter, the following terms have the meaning~~
15 ~~ascribed to them in this section, except when the context clearly indicates a different meaning:~~

16 ~~(1) "Taxable period" means any period for which a tax return is required by law to be~~
17 ~~filed with the tax administrator;~~

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

21 ~~**44-6.3-3. Establishment of tax amnesty.** --- (a) The tax administrator shall establish a tax~~
22 ~~amnesty program for all taxpayers owing any tax imposed by reason of or pursuant to~~
23 ~~authorization by any law of the state of Rhode Island and collected by the tax administrator.~~
24 ~~Amnesty tax return forms shall be prepared by the tax administrator and shall provide that the~~
25 ~~taxpayer clearly specify the tax due and the taxable period for which amnesty is being sought by~~
26 ~~the taxpayer.~~

27 ~~(b) The amnesty program shall be conducted for a seventy five (75) day period ending~~
28 ~~on September 30, 2006. The amnesty program shall provide that, upon written application by a~~
29 ~~taxpayer and payment by the taxpayer of all taxes and interest due from the taxpayer to the state~~
30 ~~of Rhode Island for any taxable period ending prior to December 31, 2005, the tax administrator~~
31 ~~shall not seek to collect any penalties which may be applicable and shall not seek the civil or~~
32 ~~criminal prosecution of any taxpayer for the taxable period for which amnesty has been granted.~~
33 ~~Amnesty shall be granted only to those taxpayers applying for amnesty during the amnesty period~~
34 ~~who have paid the tax and interest due upon filing the amnesty tax return, or who have entered~~

1 ~~into an installment payment agreement for reasons of financial hardship and upon terms and~~
2 ~~conditions set by the tax administrator. In the case of the failure of a taxpayer to pay any~~
3 ~~installment due under the agreement, such an agreement shall cease to be effective and the~~
4 ~~balance of the amounts required to be paid thereunder shall be due immediately. Amnesty shall be~~
5 ~~granted for only the taxable period specified in the application and only if all amnesty conditions~~
6 ~~are satisfied by the taxpayer.~~

7 ~~(c) The provisions of this section shall include a taxable period for which a bill or notice~~
8 ~~of deficiency determination has been sent to the taxpayer and a taxable period in which an audit~~
9 ~~has been completed but has not yet been billed.~~

10 ~~(d) Amnesty shall not be granted to taxpayers who are under any criminal investigation~~
11 ~~or are a party to any civil or criminal proceeding, pending in any court of the United States or the~~
12 ~~state of Rhode Island, for fraud in relation to any state tax imposed by the law of the state and~~
13 ~~collected by the tax administrator.~~

14 ~~**44-6.3-4. Interest under tax amnesty.** -- Notwithstanding any general or specific statute~~
15 ~~to the contrary, interest on any taxes paid for periods covered under the amnesty provisions of~~
16 ~~this chapter shall be computed at the rate of twelve percent (12%) annually from the due date to~~
17 ~~the time of payment.~~

18 ~~**44-6.3-5. Appropriation.** -- There is hereby appropriated, out of any money in the~~
19 ~~treasury not otherwise appropriated for the 2007 fiscal year, the sum of two hundred thousand~~
20 ~~dollars (\$200,000) to the division of taxation to carry out the purposes of this chapter. The state~~
21 ~~controller is hereby authorized and directed to draw his or her orders upon the general treasurer~~
22 ~~for the payment of the sum or so much thereof as may be required from time to time and upon~~
23 ~~receipt by him of properly authenticated vouchers.~~

24 ~~**44-6.3-6. Implementation.** -- Notwithstanding any provision of law to the contrary, the~~
25 ~~tax administrator may do all things necessary in order to provide for the timely implementation of~~
26 ~~this chapter, including but not limited to procurement of printing and other services and~~
27 ~~expenditure of appropriated funds as provided for in § 44-6.3-5.~~

28 ~~**44-6.3-7. Disposition of monies.** -- (a) Except as provided in subsection (b) within, all~~
29 ~~monies collected pursuant to any tax imposed by the state of Rhode Island under the provisions of~~
30 ~~this chapter shall be accounted for separately and paid into the general fund.~~

31 ~~(b) Monies collected for the establishment of the TDI Reserve Fund (§ 28-39-7), the~~
32 ~~Employment Security Fund (§ 28-42-18), the Employment Security Interest Fund (§ 28-42-75),~~
33 ~~the Job Development Fund (§ 28-42-83), and the Employment Security Reemployment Fund (§~~
34 ~~28-42-87) shall be deposited in said respective funds.~~

1 ~~**44-6.3-8. Analysis of amnesty program by tax administrator.** --- The tax administrator~~
2 ~~shall provide an analysis of the amnesty program to the chairpersons of the house finance~~
3 ~~committee and senate finance committee, with copies to the members of the revenue estimating~~
4 ~~conference, by November 1, 2006. The report shall include an analysis of revenues received by~~
5 ~~tax source, distinguishing between the tax collected and interest collected for each source. In~~
6 ~~addition, the report shall further identify the amounts that are new revenues from those already~~
7 ~~included in the general revenue receivable taxes defined under generally accepted accounting~~
8 ~~principles and the state's audited financial statements. The auditor general shall include a review~~
9 ~~of this analysis as part of the activities involved in preparation of the combined annual financial~~
10 ~~report for fiscal year 2007.~~

11 ~~**44-6.3-9. Rules and regulations.** --- The tax administrator shall promulgate such rules~~
12 ~~and regulations as are necessary to implement the provisions of this chapter.~~

13 SECTION 4. Sections 44-6.4-1, 44-6.4-2, 44-6.4-3, 44-6.4-4, 44-6.4-5, 44-6.4-6, 44-6.4-
14 7, 44-6.4-8 and 44-6.4-9 of the General Laws in Chapter 44-6.4 entitled "Rhode Island Tax
15 Amnesty Act" are hereby repealed.

16 ~~**44-6.4-1. Short title.** --- This chapter shall be known as the "2012 Rhode Island Tax~~
17 ~~Amnesty Act".~~

18 ~~**44-6.4-2. Definitions.** --- As used in this chapter, the following terms have the meaning~~
19 ~~ascribed to them in this section, except when the context clearly indicates a different meaning:~~

20 ~~(1) "Taxable period" means any period for which a tax return is required by law to be~~
21 ~~filed with the tax administrator;~~

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

25 ~~**44-6.4-3. Establishment of tax amnesty.** --- (a) The tax administrator shall establish a tax~~
26 ~~amnesty program for all taxpayers owing any tax imposed by reason of or pursuant to~~
27 ~~authorization by any law of the state of Rhode Island and collected by the tax administrator.~~
28 ~~Amnesty tax return forms shall be prepared by the tax administrator and shall provide that the~~
29 ~~taxpayer clearly specify the tax due and the taxable period for which amnesty is being sought by~~
30 ~~the taxpayer.~~

31 ~~(b) The amnesty program shall be conducted for a seventy five (75) day period ending~~
32 ~~on November 15, 2012. The amnesty program shall provide that, upon written application by a~~
33 ~~taxpayer and payment by the taxpayer of all taxes and interest due from the taxpayer to the state~~
34 ~~of Rhode Island for any taxable period ending on or prior to December 31, 2011, the tax~~

1 ~~administrator shall not seek to collect any penalties which may be applicable and shall not seek~~
2 ~~the civil or criminal prosecution of any taxpayer for the taxable period for which amnesty has~~
3 ~~been granted. Amnesty shall be granted only to those taxpayers applying for amnesty during the~~
4 ~~amnesty period who have paid the tax and interest due upon filing the amnesty tax return, or who~~
5 ~~have entered into an installment payment agreement for reasons of financial hardship and upon~~
6 ~~terms and conditions set by the tax administrator. In the case of the failure of a taxpayer to pay~~
7 ~~any installment due under the agreement, such an agreement shall cease to be effective and the~~
8 ~~balance of the amounts required to be paid thereunder shall be due immediately. Amnesty shall be~~
9 ~~granted for only the taxable period specified in the application and only if all amnesty conditions~~
10 ~~are satisfied by the taxpayer.~~

11 ~~(c) The provisions of this section shall include a taxable period for which a bill or notice~~
12 ~~of deficiency determination has been sent to the taxpayer and a taxable period in which an audit~~
13 ~~has been completed but has not yet been billed.~~

14 ~~(d) Amnesty shall not be granted to taxpayers who are under any criminal investigation~~
15 ~~or are a party to any civil or criminal proceeding, pending in any court of the United States or the~~
16 ~~state of Rhode Island, for fraud in relation to any state tax imposed by the law of the state and~~
17 ~~collected by the tax administrator.~~

18 ~~**44-6.4.4. Interest under tax amnesty.** -- Notwithstanding any provision of law to the~~
19 ~~contrary, interest on any taxes paid for periods covered under the amnesty provisions of this~~
20 ~~chapter shall be computed at the rate imposed under § 44-1-7, reduced by twenty five percent~~
21 ~~(25%).~~

22 ~~**44-6.4.5. Appropriation.** -- There is hereby appropriated, out of any money in the~~
23 ~~treasury not otherwise appropriated for the 2013 fiscal year, the sum of three hundred thousand~~
24 ~~dollars (\$300,000) to the division of taxation to carry out the purposes of this chapter. The state~~
25 ~~controller is hereby authorized and directed to draw his or her orders upon the general treasurer~~
26 ~~for the payment of the sum or so much thereof as may be required from time to time and upon~~
27 ~~receipt by him of properly authenticated vouchers.~~

28 ~~**44-6.4.6. Implementation.** -- Notwithstanding any provision of law to the contrary, the~~
29 ~~tax administrator may do all things necessary in order to provide for the timely implementation of~~
30 ~~this chapter, including, but not limited to, procurement of printing and other services and~~
31 ~~expenditure of appropriated funds as provided for in § 44-6.4-5.~~

32 ~~**44-6.4.7. Disposition of monies.** -- (a) Except as provided in subsection (b) within, all~~
33 ~~monies collected pursuant to any tax imposed by the state of Rhode Island under the provisions of~~
34 ~~this chapter shall be accounted for separately and paid into the general fund.~~

1 ~~(b) Monies collected for the establishment of the TDI Reserve Fund (§ 28-39-7), the~~
2 ~~Employment Security Fund (§ 28-42-18), the Employment Security Interest Fund (§ 28-42-75),~~
3 ~~the Job Development Fund (§ 28-42-83), and the Employment Security Reemployment Fund (§~~
4 ~~28-42-87) shall be deposited in said respective funds.~~

5 ~~**44-6.4.8. Analysis of amnesty program by tax administrator.** -- The tax administrator~~
6 ~~shall provide an analysis of the amnesty program to the chairpersons of the house finance~~
7 ~~committee and senate finance committee, with copies to the members of the revenue estimating~~
8 ~~conference, by January 1, 2013. The report shall include an analysis of revenues received by tax~~
9 ~~source, distinguishing between the tax collected and interest collected for each source. In~~
10 ~~addition, the report shall further identify the amounts that are new revenues from those already~~
11 ~~included in the general revenue receivable taxes, defined under generally accepted accounting~~
12 ~~principles and the state's audited financial statements.~~

13 ~~**44-6.4.9. Rules and regulations.** -- The tax administrator may promulgate such rules and~~
14 ~~regulations as are necessary to implement the provisions of this chapter.~~

15 SECTION 5. This act shall take effect upon passage.

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LC004383
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION - TAX AMNESTY

- 1 This act would repeal the Rhode Island Tax Amnesty Acts of 1986, 1996, 2006 and 2012.
- 2 This act would take effect upon passage.

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