



March 2, 2021

Honorable Marvin L. Abney  
Chair, House Finance Committee  
Rhode Island State House,  
Providence, RI 02903

Re: HB5213 An Act Relating to Taxation – Interest rate change for underpayments of tax

Dear Chairman Abney:

We the undersign express our support for HB5213, Relating to Taxation – State Tax Officials. The legislation changes the rate of interest for underpayments of tax to prime rate plus six percent (6%) and limits the assessment of interest to four (4) calendar years prior to the date on which notice of the delinquent payment is sent.

The proposed legislation brings Rhode Island more in line with other states in the amount the state may assess for penalties for failure to follow tax rules. The current eighteen per cent (18%) is one of the highest rates in the nation and Rhode Island is well above the average rate nationally even after acceptance of this proposal.

The proposed rate structure will still be a deterrent to those not following the rules. Penalties can be assessed for a variety of reason such as simple misunderstandings of the complex tax structure used in Rhode Island or sales tax structure or a change in the state's interpretation of current law.

The undersigned members of the Rhode Island Business Coalition urge you to support this proposal and the Coalition welcomes the opportunity to work with you to create a competitive market in Rhode Island. Thank you.

Sincerely,

Associated Builders and Contractors of Rhode Island – Maureen E. Grillo, President

Energy Marketers of Rhode Island – Roberta Fagan, Executive Director

National Federation of Independent Businesses – Christopher Carlozzi, State Director

Rhode Island Association of REALTORS® – Philip Tedesco, CEO

Rhode Island Hospitality Association – Sarah Bratko, Vice President of Advocacy and General  
Counsel at RI Hospitality Association & RI Hospitality Education Foundation.

Rhode Island Manufacturers Association – David M. Chenevert, Executive Director

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee  
Chairman

Rhode Island Small Business Economic Summit – Ralph Coppola, Committee Chair

Rhode Island Society of Certified Public Accountants – Melissa Travis, President