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April 9, 2025

Honorable Marvin Abney
Chairman, House Committee on Finance
Rhode Island State House
82 Smith Street
Providence, RI 02903

Re: H5757 – AN ACT RELATING TO TAXATION — STATE TAX OFFICIALS

Dear Chairman Abney and Honorable Members of the Committee:

On behalf of all my clients, I respectfully submit this testimony in strong support of H5757 – AN ACT RELATING TO TAXATION — STATE TAX OFFICIALS which makes important reforms to Rhode Island's tax enforcement laws.

This bill would:

- Cap the delinquent tax interest rate at 12% (currently the highest in the nation);
- Limit audits to 3 years from the filing date (or 7 years in cases of fraud); and
- Prohibit audits beyond 10 years, no matter the circumstance.

While Rhode Island law says it follows IRS standards, we continue to see audits that go back 15 years or more, far beyond the federal limits. Most individuals and CPA firms do not retain records that long—and neither the IRS nor Social Security can provide W-2s beyond a certain point. This makes it impossible for many taxpayers to defend themselves or verify what they may owe.

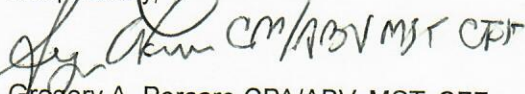
Additionally, Rhode Island imposes punitive penalty interest and requires a 50% down payment just to begin a payment plan—something no other state or the IRS requires. These outdated policies discourage resolution and create unfair burdens on taxpayers and businesses.

As a result, Rhode Island has more tax debt per capita than our neighboring states. This bill will help fix that by modernizing our system, improving compliance, and restoring fairness and trust in the process.

We urge the committee to support H5757 and take this important step toward a more reasonable and balanced approach to tax enforcement.

Thank you for your consideration.

Respectfully,


Gregory A. Porcaro CPA/ABV, MST, CFF
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