State of Rhode Island
Division of Taxation
DEPARTMENT OF REVENUE

November 2026 REC Follow-Up

Nov 4th, 2026

STATE OF RHODE ISLAND
DOR
DEPARTMENT OF REVENUE

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QUESTION 26, page 34: Individual Mandate Penalty

Revenue Estimating Question: Q26

Issue raised: There is a significant increase in the amount of unpaid individual mandate liability when compared to 10/1/2025. Please provide the number of taxpayers and total amount owed as of September 30 of the past few years, broken out by tax year.

Division of Taxation Response:
The increase in the number of taxpayers that owed individual mandate liability and the total amount of individual mandate liability unpaid during the last year is a result of ongoing IRS non-filer compliance programs. These programs resulted in posting individual mandate debt for approximately 1,000 taxpayers in each of tax years 2020 and 2021. As a result, the number of taxpayers with unpaid individual mandate debt increased from 5,105 on 10/1/25 to 7,520 on 10/1/26.

As of Date	Number of Individual Mandate debts for most recent tax year	Number of Individual Mandate debts for previous tax years	Number of Taxpayers	Total Underpaid
10/1/24	1,538 (TY23)	2,816 (TY20-22)	4,354	$2.77M
10/1/25	1,580 (TY24)	3,525 (TY20-23)	5,105	$3.60M
10/1/26	1,669 (TY25)	5,851 (TY20-24)	7,520	$6.05M

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QUESTION 44, page 98: PIT Refunds in July 2026

Revenue Estimating Question: Q44

Issue raised: Please detail any changes in the number and amount of refunds issued in July 2026 vs July 2025.

Division of Taxation Response:

July 2026 contained a significant number of refunds issued for the prior year:

- Refunds issued for $6.1M based on amended returns sourced from an audit for TY21 and TY22.
- Refunds issued for $2.5M combined based on amended returns filed for TY22 due to a change in sourcing of income to various states.
- Each return was reviewed extensively prior to releasing the refund.

Additionally, Personal Income Tax refunds for the current tax year (i.e. TY25) were $8.5M higher in July 2026 than the amount for current tax year (i.e. TY24) in July 2025. In May 2026 REC the Division reported that issued refunds, as of May 1st, 2026, were $7.5M behind the prior year May 1, 2024. These refunds totaling $7.5M were part of the processed/issued refunds in July 2026.