



May 25, 2026

The Honorable Louis DiPalma
Chair
Senate Finance Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

Re: Senate Bill No. 2847 -An Act Relating to Taxation — State Tax Officials

Dear Chair DiPalma and Honorable Members of the Committee:

On behalf of concerned taxpayers, tax practitioners, business leaders, manufacturers, and the thousands of Rhode Islanders directly impacted by Rhode Island's tax enforcement framework, we respectfully submit this testimony in **strong support of Senate Bill S2847. Senate Bill No. 2847, AN ACT RELATING TO TAXATION -- STATE TAX OFFICIALS** (Caps delinquent tax interest rate at 12%. Prohibits audits beyond 3 years from date of tax filing, 7 years for fraudulent filings, and in no event beyond 10 years from date of filing or required filing date, whichever is later.)

S2847 represents a necessary, measured, and overdue step toward restoring fairness, predictability, accountability, and economic competitiveness within Rhode Island's tax system. The legislation establishes reasonable, nationally aligned reforms by:

- **Capping delinquent tax interest at 12%**
- **Establishing a 3-year standard audit limitation**
- **Providing a 7-year period for fraud-related matters**
- **Creating an absolute 10-year maximum audit lookback period**

Importantly, even under this reform, Rhode Island would continue to maintain **one of the highest delinquent tax interest structures in the United States.**

This proposal is not radical.

It is balanced, pro-compliance reform designed to strengthen confidence in Rhode Island's tax system while fully preserving legitimate enforcement authority.

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EXECUTIVE SUMMARY

Rhode Island currently maintains the most punitive tax enforcement environments in the nation. Current law permits:

- Statutory interest structures reaching **18%–21% annually**
- Audit practices extending **10, 15, 20 years or longer** in certain circumstances

This framework does not incentivize compliance. **It undermines it.**

For taxpayers, employers, practitioners, and Rhode Island businesses, the consequences are significant:

- Minor issues escalate into unmanageable financial liabilities
- Documentation becomes unavailable beyond reasonable retention periods
- Taxpayers are penalized even when taxes were properly paid
- Individuals cannot realistically defend decades-old assessments
- Enforcement actions compound into employment, licensing, and economic crises

This is not a modern compliance model. It is a punitive enforcement structure that creates hardship, discourages voluntary resolution, weakens trust in government, and damages Rhode Island's economic competitiveness.

RHODE ISLAND IS OUT OF STEP WITH THE NATION

Rhode Island's tax enforcement framework remains materially outside accepted national standards. Federal guidance generally recognizes:

- **3-year standard audit and record retention expectations**
- **6–7 years in limited circumstances**
- **Indefinite authority reserved primarily for fraud or non-filing cases**

Rhode Island's system frequently exceeds those norms.

In practice, taxpayers may face audit exposure extending far beyond reasonable record retention expectations.



No credible federal or national standard expects taxpayers to indefinitely maintain records absent fraud.

When audits extend beyond practical retention periods, taxpayers lose the ability to defend themselves — regardless of whether taxes were correctly paid.

The burden of proof becomes impossible to meet. The outcome becomes effectively predetermined.

That is not fairness. That is not sound tax administration.

A SYSTEM THAT PUNISHES COMPLIANCE

Modern tax policy should encourage:

- Voluntary compliance
- Repayment
- Transparency
- Predictability
- Trust

Rhode Island's current framework often produces the opposite result.

Interest rates substantially exceeding market conditions function less as compensation for delayed payment and more as punitive financial escalation.

Excessive interest accumulation and prolonged audit exposure do not improve collections.

They frequently produce:

- Reduced voluntary disclosure
- Lower repayment success rates
- Increased taxpayer insolvency
- Higher administrative and collection costs
- Long-term unresolved liabilities



We are increasingly concerned by the characterization of taxpayers — particularly individuals unable to produce records from 10, 15, or 20 years ago — as “noncompliant” “tax delinquents” or “tax cheats.” This is unacceptable.

Compliance systems should encourage resolution, not create conditions where compliance becomes impossible.

REAL IMPACT ON RHODE ISLANDERS

The consequences of Rhode Island’s current framework are not theoretical.

They are real, immediate, and increasingly severe.

Across Rhode Island, taxpayers and practitioners report cases involving:

- Interest and penalty obligations exceeding the original tax amount by multiples
- Assessments involving taxes ultimately determined not to be owed
- Years spent attempting to reconstruct historical records
- Administrative disputes transformed into life-altering financial crises

Enforcement actions—including **license blocks**—carry particularly severe consequences.

Thousands of Rhode Islanders currently face license restrictions or blocks.

The precise number attributable to tax-related enforcement remains unclear.

That lack of transparency should concern policymakers.

The practical consequences are undeniable:

- Rhode Islanders lose the ability to work legally
- Workers are pushed out of licensed professions
- Families lose income
- Some individuals continue driving illegally out of economic necessity
- Employers lose workers in an already constrained labor market

This is not merely a taxpayer issue.



It is a **workforce issue**. It is an **economic development issue**. It is a **Rhode Island jobs issue**.

At a time when the state continues struggling with workforce shortages and business competitiveness, policies that remove working Rhode Islanders from the labor force should receive scrutiny.

EXHIBIT A: CASE STUDY: JOSH GENEREAUX

The consequences of this framework are illustrated by the experience of **Josh Genereaux**. Mr. Genereaux spent years navigating tax enforcement actions involving historical tax periods. The consequences were devastating. Over time:

- He was labeled a tax delinquent
- Professional licensing consequences impaired employment
- He lost work opportunities
- He lost his home
- He lost his marriage
- Years of advocacy, professional intervention, and governmental involvement became necessary

Ultimately, after CPA review, extensive records recovery, and Congressional involvement, the conclusion was clear:

The State had been wrong. Taxes previously alleged to be owed had, in fact, been paid. Rather than owing the State money, **the State owed him money.**

An apology letter was ultimately issued. But the years lost, economic harm suffered, and personal consequences imposed could not be reversed.

No Rhode Island taxpayer should spend years attempting to prove a government error.

S2847 helps establish reasonable safeguards that reduce the likelihood of these outcomes while preserving enforcement authority where truly warranted.

ECONOMIC AND POLICY IMPLICATIONS

Rhode Island's current system carries broader economic consequences:

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- Impairs collection effectiveness rather than strengthening it
- Contributes to unresolved debt burdens
- Creates perceptions of regulatory unpredictability and risk
- Places Rhode Island at a competitive disadvantage relative to neighboring states
- Influences business decisions involving investment, hiring, and expansion

Employers operate in competitive regional and national markets.

Manufacturers, small businesses, licensed professionals, and multi-state employers evaluate regulatory risk when determining where to invest and grow.

Punitive, unpredictable tax enforcement frameworks affect those decisions.

Rhode Island cannot afford policies that simultaneously:

- discourage investment,
- impede workforce participation,
- and undermine confidence in tax administration.

The state is already struggling with workforce retention and economic competitiveness; we lost 500 jobs last month alone. We should not compound those challenges.

ADDENDUM: EXPANDED ENFORCEMENT AUTHORITY REQUIRES MODERN SAFEGUARDS

In 2025, **Budget Article 5 expanded Division of Taxation enforcement authority**, including authority permitting seizure of financial accounts without prior notice.

As enforcement authority expands, corresponding safeguards become increasingly important.

Modern systems require balance.

Expanded enforcement powers should be paired with:

- reasonable interest standards
- clear audit limitations
- due process protections

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- predictable administrative rules
- proportional enforcement practices

S2847 helps restore that balance.

A MEASURED AND RESPONSIBLE SOLUTION

Senate Bill S2847 is not radical. It is measured, reasonable reform.

- Aligns interest policy more closely with economic reality
- Establishes fair and nationally recognizable audit standards
- Preserves expanded enforcement authority for fraud-related matters
- Improves predictability for taxpayers, practitioners, and businesses
- Strengthens voluntary compliance and repayment incentives
- Brings Rhode Island closer to accepted national standards

Importantly, similar reforms have been considered previously.

In 2022, meaningful legislation addressing these issues advanced through both chambers and appeared within the Governor's budget framework before final-stage changes weakened its intended effect.

The need for reform has only become more urgent since that time.

BROAD-BASED SUPPORT: Support for these reforms continues to grow among:

- Taxpayers directly impacted by current practices – many with no voice, lawyer, CPA, interpreter or advocate
- CPAs and tax practitioners
- Manufacturers and business leaders
- Employers and licensed professionals
- Members of the General Assembly (House and Senate) who have come forward with their own stories
- Individuals working daily within Rhode Island's tax and regulatory systems

This is not theoretical policy debate. These concerns are real. They are ongoing.

And they are affecting Rhode Islanders today.

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CONCLUSION: TIME TO ACT

Rhode Island should not continue operating under a framework that:

- Punishes compliance
- Creates avoidable hardship
- Removes workers from the labor force
- Undermines trust in government
- Places the state outside accepted national norms
- Weakens economic competitiveness

We should not have to continue asking Rhode Island to correct something the rest of the United States has already addressed. **This is the year to get it done.**

We respectfully urge the Senate Finance Committee to advance **Senate Bill S2847.**

Thank you for your time, consideration, and leadership on this important issue.

Respectfully submitted,

Melissa Travis

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Companion Data Chart: Rhode Island vs. All 50 States

Primary source for 50-state matrix: COST 2023 Administrative Scorecard (statutory survey). Rhode Island row also updated with the official RI 2026 interest-rate advisory.

State	General Statute of Limitation Summary	Interest Rate (State Summary)	Equalized Interest?	Rhode Island 2026 Update / Note	Primary Source URL	Secondary Source URL
Alabama	Generally equal: 3 years for both, but "substantial underpayment" of gross sales/receipts extends SOL on assessments to 6 yrs. Assessment - At Code 9 Later of 3 years from filing or 2 years from taxes paid.	Generally equal: need to Federal underpayment rate. Interest on "large corporate underpayment" is increased by 2 points. Underpayment - At Code § 40-1-4(a). Overpayment - At Code § 40-1-4(b). Equal: 5.25% above the annual rate charged to member banks by the Federal Reserve each quarter. Underpayment - AK Stat. § 43.05-2241(c). Overpayment - AK Stat. § 43.05-280(a).	See interest rate		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Alaska		Equal: Federal short-term rate plus 3%. AZ Stat. § 42-1123(A). 42-1104(A). Refund-AZ Stat. § 42-1104(A) and 42-1106(A).	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Arizona		Equal: 10% interest rate on assessments and refunds. Underpayment - Ark. Code Ann. § 26-18-508(1). Overpayment - Interest runs from the latest of the due date or date of filing of return. Ark. Code Ann. § 26-18-508(2). For income taxes. Underpayment - Fed underpayment rate. CRC Code § 19057(a). 19067(a). 19065. Refund - CRC § 19306 (a), 19308. For sales and use taxes, 3 Equal: 1 year after expiration of federal statute for income tax (4 years from federal due date); 3 years for all other taxes. Assessment - CO Stat. § 639-21-233, 12-415. Refund - 639-21-226, 12-425.	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Arkansas		Equal: 5% per month. Underpayment - Interest runs from last date for payment. DE Code 30 § 133(a). Overpayment - DE Code 30 § 540(a). Interest runs from the 46th day after the claim for credit or refund is filed.	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
California		Equal: Prime plus 4%. Underpayment - FL Stat. § 220.809, 220.807, 213.235. Overpayment - FL Stat. § 220.723, 213.255. Interest on Overpayment based on date a "complete" refund claim filed, not date tax Equal: Prime plus 3%, effective 7/1/2016. Underpayment - GA Code § 48-2-40. Overpayment - GA Code § 48-2-35(a). Interest on refunds does not accrue until claim is filed. GA Code § 48-2-35.1. No interest on certain tax	Unequal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Colorado		Statutes of Limitation: Equal: 3 yrs for both. Assessment - DE Code 30 § 531(a). Refund - SOL is later of 3 years from last due date for filing or 2 Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Connecticut		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Delaware		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Florida		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Georgia		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Hawaii		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Idaho		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Illinois		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Indiana		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Iowa		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Kansas		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Kentucky		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Louisiana		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Maine		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf
Maryland		Statutes of Limitation: Equal: 3 yrs for both. Assessment - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Refund - HI Stat. § 238-7. SOL is 6 years for returns with a "substantial Statutes of Limitation: Equal: 3 years for both. Assessment - ID Code § 63-3068(a). Sales Tax: ID Code § 63-3633(a). Refund - ID Code § 63-3072	Equal		https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf	https://www.cost.org/globalassets/cost/state-tax-resources/pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard-final-draft-combined.pdf

Tennessee

Equal: 3 years for both. The 3-year period runs from Dec 31 of the year in which the return or claim was filed. Assessment - TNC § 67-1-1501(b).

Equal: 4 years for both. Assessments - TX Tax Code §§ 111.201 & 111.205. Refunds - § 111.107; 111.206; 111.201.

Equal: 3 years for both. Assessments - UT Code §§ 59-7-3191(a); 59-1-1410. Refunds - UT Code §§ 59-7-522(2); 59-1-1410.

Equal: 3 years for both. Assessment - 3 years from due date of tax or 3 years from date return was filed if late. VT § 32:5882(a). Refund - 3 years from

Equal: 3 years for both. Assessment - VCA § 58.1-104. 6-year SOL for false or fraudulent returns. Refund - VCA § 58.1-1823.

Equal: 4 years plus the current calendar year for both. Assessment - WRC §§ 82.32.050(d), 82.32.100(3). Refund - WRC § 82.32.060(1).

Equal: 3 years for both. Assessment - WV Code § 11-10-15 (a). Refund - WV Code § 11-10-14(f)(1), 71.77(2). Refund - WSA § 71.75(2).

Equal: 4 years for both. Assessment - WSA § 71.77(2). Refund - WSA § 71.75(2).

Equal: 3 years for both.

Equal Interest rate is published in Tenn. Admin. Register and is equally applied for under- payment and over- payment. TNC §§ 67-1-801(a) & (b). When determined by admin review that a taxpayer is entitled to a

Unequal. Underpayment - prime rate plus 1%. TX Tax Code § 111.060(b). Overpayment - lesser of the annual rate earned on state treasury deposits during December of the previous calendar year or the prime rate plus 1%.

Equal. Federal short- term rate plus 2%. Underpayment - UT Code §§ 59-7-510, 59-1-4021(3)(b). Overpayment - UT Code §§ 59-7-533, 59-1-4021(3)(a)

Equal. Average prime rate for 12-month period beginning 10/1 of the previous year for both. VT § 32-3108(a).

Equal. Underpayment - Federal underpayment rate plus 2%. VCA § 58.1-104. Overpayment - Federal overpayment rate plus 2%. VCA § 58.1-105.

Equal. Federal short-term rate plus 2%. Underpayment - WRC § 82.32.050(2). Overpayment - WRC § 82.32.060(1), 82.32.060(5)(b), 82.32.050(2).

Unequal. Prime plus 3% as annually fixed by Tax Commissioner. WV Code § 1-10-17a(c). Underpayment - Additional 1.5% over base rate. WV Code § 11-10-17(a). Overpayment - WV Code §§ 11-10-17(a), 11-10-17(d);

Unequal. Underpayment - 12% per year. Wis. Stat. Ann. § 71.82(1)(a). Overpayment - 3% per year. No interest on refunds paid within 90 days of the later of the due date or return filing date. WSA § 71.82(1)(b).

Unequal. Underpayment - Average prime rate plus 4%. Overpayment - Average prime rate, only on taxes paid under protest on appeal.

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Texas

Equal: 3 years for both. The 3-year period runs from Dec 31 of the year in which the return or claim was filed. Assessment - TNC § 67-1-1501(b).

Equal: 4 years for both. Assessments - TX Tax Code §§ 111.201 & 111.205. Refunds - § 111.107; 111.206; 111.201.

Equal: 3 years for both. Assessments - UT Code §§ 59-7-3191(a); 59-1-1410. Refunds - UT Code §§ 59-7-522(2); 59-1-1410.

Equal: 3 years for both. Assessment - 3 years from due date of tax or 3 years from date return was filed if late. VT § 32:5882(a). Refund - 3 years from

Equal: 3 years for both. Assessment - VCA § 58.1-104. 6-year SOL for false or fraudulent returns. Refund - VCA § 58.1-1823.

Equal: 4 years plus the current calendar year for both. Assessment - WRC §§ 82.32.050(d), 82.32.100(3). Refund - WRC § 82.32.060(1).

Equal: 3 years for both. Assessment - WV Code § 11-10-15 (a). Refund - WV Code § 11-10-14(f)(1), 71.77(2). Refund - WSA § 71.75(2).

Equal: 4 years for both. Assessment - WSA § 71.77(2). Refund - WSA § 71.75(2).

Equal: 3 years for both.

Tennessee

Equal Interest rate is published in Tenn. Admin. Register and is equally applied for under- payment and over- payment. TNC §§ 67-1-801(a) & (b). When determined by admin review that a taxpayer is entitled to a

Unequal. Underpayment - prime rate plus 1%. TX Tax Code § 111.060(b). Overpayment - lesser of the annual rate earned on state treasury deposits during December of the previous calendar year or the prime rate plus 1%.

Equal. Federal short- term rate plus 2%. Underpayment - UT Code §§ 59-7-510, 59-1-4021(3)(b). Overpayment - UT Code §§ 59-7-533, 59-1-4021(3)(a)

Equal. Average prime rate for 12-month period beginning 10/1 of the previous year for both. VT § 32-3108(a).

Equal. Underpayment - Federal underpayment rate plus 2%. VCA § 58.1-104. Overpayment - Federal overpayment rate plus 2%. VCA § 58.1-105.

Equal. Federal short-term rate plus 2%. Underpayment - WRC § 82.32.050(2). Overpayment - WRC § 82.32.060(1), 82.32.060(5)(b), 82.32.050(2).

Unequal. Prime plus 3% as annually fixed by Tax Commissioner. WV Code § 1-10-17a(c). Underpayment - Additional 1.5% over base rate. WV Code § 11-10-17(a). Overpayment - WV Code §§ 11-10-17(a), 11-10-17(d);

Unequal. Underpayment - 12% per year. Wis. Stat. Ann. § 71.82(1)(a). Overpayment - 3% per year. No interest on refunds paid within 90 days of the later of the due date or return filing date. WSA § 71.82(1)(b).

Unequal. Underpayment - Average prime rate plus 4%. Overpayment - Average prime rate, only on taxes paid under protest on appeal.

Texas

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Tennessee

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Unequal. Underpayment - prime rate plus 1%. TX Tax Code § 111.060(b). Overpayment - lesser of the annual rate earned on state treasury deposits during December of the previous calendar year or the prime rate plus 1%.

Equal. Federal short- term rate plus 2%. Underpayment - UT Code §§ 59-7-510, 59-1-4021(3)(b). Overpayment - UT Code §§ 59-7-533, 59-1-4021(3)(a)

Equal. Average prime rate for 12-month period beginning 10/1 of the previous year for both. VT § 32-3108(a).

Equal. Underpayment - Federal underpayment rate plus 2%. VCA § 58.1-104. Overpayment - Federal overpayment rate plus 2%. VCA § 58.1-105.

Equal. Federal short-term rate plus 2%. Underpayment - WRC § 82.32.050(2). Overpayment - WRC § 82.32.060(1), 82.32.060(5)(b), 82.32.050(2).

Unequal. Prime plus 3% as annually fixed by Tax Commissioner. WV Code § 1-10-17a(c). Underpayment - Additional 1.5% over base rate. WV Code § 11-10-17(a). Overpayment - WV Code §§ 11-10-17(a), 11-10-17(d);

Unequal. Underpayment - 12% per year. Wis. Stat. Ann. § 71.82(1)(a). Overpayment - 3% per year. No interest on refunds paid within 90 days of the later of the due date or return filing date. WSA § 71.82(1)(b).

Unequal. Underpayment - Average prime rate plus 4%. Overpayment - Average prime rate, only on taxes paid under protest on appeal.

Texas

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Legislative Highlights

Point	Summary	Source	URL
Why RI stands out	Rhode Island's 2026 delinquent-tax rates are 18.00% for trust fund taxes and 12.00% for other tax types, with statutory floors/caps that can reach 21%.	RI advisory 2026	https://tax.ri.gov/sites/g/files/xkgbur541/files/2025-11/ADV_2025_23_Interest_Rates.pdf
Federal benchmark	IRS underpayment rate for Q2 2026 is 6%.	IRS	https://www.irs.gov/irb/2026-08_IRB
Massachusetts benchmark	Massachusetts underpayment rate is the federal short-term rate plus 4 percentage points; official DOR guidance for 2026 confirms that framework.	Mass. DOR	https://www.mass.gov/technical-information-release/tir-26-2-interest-rate-on-overpayments-and-underpayments
Connecticut benchmark	COST's survey describes Connecticut underpayment interest as 1% per month and overpayment interest as 0.66% per month for business refunds, with no interest on sales/use tax refunds.	COST 2023	https://www.cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard---final-draft-combined.pdf
COST observation on RI	COST's Rhode Island entry states the underpayment rate is 'excessively high' and 'not reflective of time value of money.'	COST 2023	https://www.cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-studies-articles-reports/cost-2023-admin-scorecard---final-draft-combined.pdf
Caution for use	This matrix is best used as a legislative comparison tool showing statutory structure and relative burden. States use different formulas, frequencies, and equalization rules; check current state guidance before quoting a live rate for any non-RI state.	Method note	