

## RHODE ISLAND BUSINESSES OWING STATE TAX CAN SEEK RELIEF WITH THE NEWLY ENACTED TAX AMNESTY PROGRAM

*Program runs from December 1, 2017 to February 15, 2018*

Rhode Island Governor Gina Raimondo recently signed House Bill 5175, authorizing the state to enact a 75-day period of tax amnesty for individuals and businesses that are delinquent on their taxes.

To qualify for amnesty, the full amount of overdue taxes plus seventy-five percent of any interest due must be paid for tax periods ending on or prior to December 31, 2016. Therefore, for example, if the interest rate on taxes owed is 18% for calendar year 2016, the State would reduce the interest by 4.5 percentage points, to 13.5%. In addition, the tax administrator will also waive penalties and not seek civil or criminal prosecution.



The Division of Taxation will start accepting applications for amnesty on December 1, 2017 and the program concludes February 15, 2018. The program is generally open to eligible taxpayers owing any state tax collected by the Division, including state corporate and personal income tax, unemployment taxes, and sales and use taxes.

As is the case with many state amnesties, taxpayers who are under any criminal investigation or are a party to any civil or criminal proceeding, pending in any court of the United States or the state of Rhode Island, for fraud in relation to any state tax imposed by the law of the state and collected by the tax administrator are ineligible for the program. Rules and regulations for the program will be confirmed and announced closer to the start of the amnesty period.

Tax amnesty programs can be a great option for taxpayers with outstanding tax liabilities. If you have questions regarding the newly enacted tax amnesty program or taxes in general, contact Bruce Desrosiers, Restivo Monacelli's Partner, Tax Compliance and Consulting at 401-273-7600 or email [bdesrosiers@rm-llp.com](mailto:bdesrosiers@rm-llp.com).