



# Rhode Island Department of Revenue

## Division of Taxation

ADV 2018-43  
TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS  
OCTOBER 30, 2018

### Interest rates posted for 2019

#### *Rates on underpayments and overpayments based on statutory formula*

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today announced the interest rates that will apply in 2019 to overpayments and underpayments. The rates are based on formulas set in statute.

Interest on overpayments for calendar year 2019 shall be at the rate of 5.25 percent per annum, compared with the rate of 4.25 percent per annum for calendar year 2018.

Interest rate on overpayments	
CALENDAR YEAR 2018	CALENDAR YEAR 2019
4.25%	5.25%

For calendar year 2019, the interest rate on delinquent tax payments shall be 18 percent per annum, the same as the rate for 2018.

Interest rate on underpayments (delinquencies)	
CALENDAR YEAR 2018	CALENDAR YEAR 2019
18.00%	18.00%

**OVERPAYMENTS:** Under Rhode Island General Laws § 44-1-7.1, the interest rate on overpayments of Rhode Island State tax for a given calendar year is computed by reference to the prime rate which was in effect on October 1 of the preceding year. In the “Selected Interest Rates (H.15)” statistical release issued by the Board of Governors of the Federal Reserve System, the “bank prime loan” rate listed as being in effect on October 1, 2018, was 5.25 percent.

**DELINQUENCIES:** Under Rhode Island General Laws § 44-1-7, interest on delinquent payments is 2 percent above the prime rate. However, the statute also says that the rate on delinquencies cannot exceed 21 percent per annum, nor can it be less than 18 percent per annum. Thus, interest on delinquencies for calendar year 2019 shall be at the rate of 18 percent per annum.

---

The Rhode Island Division of Taxation office is located at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance to the State House. The office is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <http://www.tax.ri.gov/contact/>.

---