



# Rhode Island Department of Revenue

## Division of Taxation

ADV 2016-20  
TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS  
OCTOBER 17, 2016

### Interest rates posted for 2017

*Rates on overpayments, underpayments, are based on statute*

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today announced the interest rates that will apply in 2017 to overpayments and underpayments. The rates are based on formulas set in statute.

Interest on overpayments for calendar year 2017 shall be at the rate of 3.50 percent per annum, compared with the rate of 3.25 percent for calendar year 2016.

Interest rate on overpayments	
Calendar year 2016	Calendar year 2017
3.25%	3.50%

For calendar year 2017, the interest rate on delinquent tax payments shall be 18 percent per annum, the same as the rate for 2016.

Interest rate on underpayments (delinquencies)	
Calendar year 2016	Calendar year 2017
18.00%	18.00%

NOTE ON OVERPAYMENTS: Under Rhode Island General Laws § 44-1-7.1, the interest rate on overpayments of Rhode Island tax is computed by reference to the prime rate which was in effect on October 1 of the preceding year. October 1 fell on a Saturday this year, so the Division of Taxation looked to the next business day, October 3. In the "Selected Interest Rates (H.15)" statistical release issued by the Board of Governors of the Federal Reserve System on October 11, the "bank prime loan" rate listed as being in effect on October 3, 2016, was 3.50 percent.

NOTE ON 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 2017 shall be at the rate of 18 percent per annum.

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#### FOR MORE INFORMATION

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If you have questions about your taxes, call the Division's main phone line at (401) 574-8829. The Division is normally open to the public from 8:30 a.m. to 3:30 p.m. business days. For forms, instructions, and other information, see the Division website: [www.tax.ri.gov](http://www.tax.ri.gov). To reach specific sections with the agency, by phone or email, use the following address: [www.tax.ri.gov/contact/](http://www.tax.ri.gov/contact/)