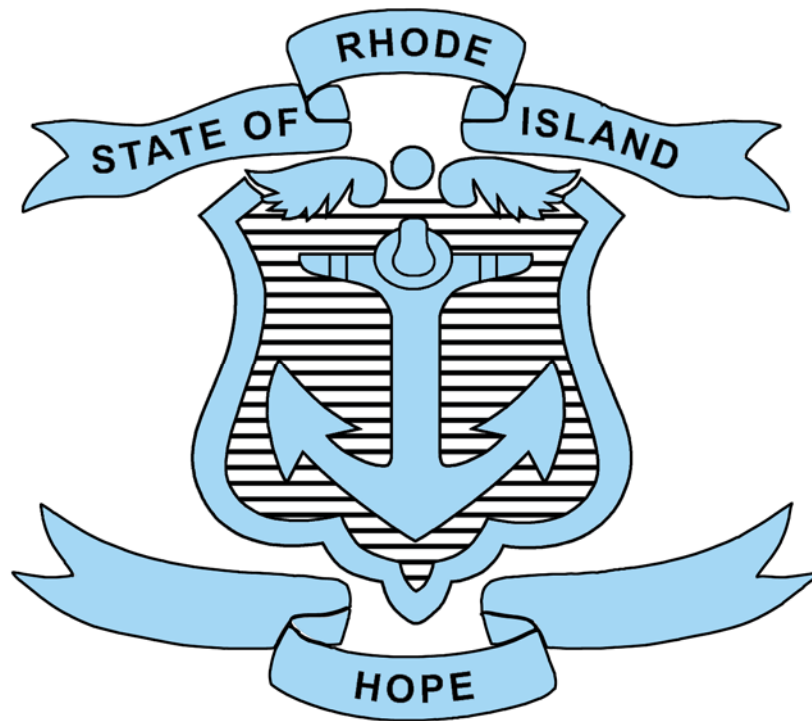


**State of Rhode Island
Department of Revenue
Division of Taxation**



**Analysis of the
2012 Tax Amnesty Program**

Analysis of the Rhode Island 2012 Tax Amnesty Program

The Rhode Island 2012 Tax Amnesty Act was established by passage of House Bill H-7323Aaa Article 21 Substitute A during the 2012 legislative session.

Program Specifications

The major requirements related to the Rhode Island 2012 Tax Amnesty Act were as follows:

- ❑ Program start date was September 2, 2012 and the end date was November 15, 2012.
- ❑ Tax liabilities for taxable periods ending on or before December 31, 2011 were eligible for amnesty.
- ❑ Amnesty did not apply to any taxable period that was currently under audit by the Tax Administrator and which was not yet complete.
- ❑ Created an opportunity to clear up any unpaid tax obligations relative to taxes payable to the State of Rhode Island and collected by the Tax Administrator.
- ❑ All unpaid penalties and twenty-five percent (25.0%) of interest were waived for eligible applicants.
- ❑ No criminal action could be brought against a Taxpayer for which tax amnesty has been granted.

Division of Taxation's Administrative Costs:

The Division's total administrative costs related to the Tax Amnesty Program were \$262,426.93.

The Division's costs in administering and publicizing the Amnesty Program were as follows:

<u>Expenditure Category</u>	<u>Total Cost</u>
Advertising/Marketing	\$ 148,907.81
Computer Upgrades	4,494.00
Printing and Mailing	47,528.11
Staffing – Temporary Employees and Overtime	61,497.01
Total	<u>\$ 262,426.93</u>

Program Results

- ❑ The Division of Taxation received and approved 7,752 applications for amnesty during the 2012 Tax Amnesty Program (compared to 2,162 applications received during the 2006 Tax Amnesty Program).
- ❑ The total amount collected from the 2012 Tax Amnesty Program as of December 31, 2012 is \$22,377,259.74 (compared to \$9.8 million collected during the 2006 Tax Amnesty Program).
- ❑ The total “new revenue” collected from taxpayers is \$14,596,968.42. For the purpose of this report “new revenue” is defined as payments from taxpayers that did not have a known liability with the State. This includes taxpayers who were under audit but not billed prior to the start of amnesty.
- ❑ The Division of Taxation mailed over 81,400 notices to taxpayers with outstanding tax liabilities with the State outlining the 2012 Tax Amnesty Program.
- ❑ The Division of Taxation established a call center to handle questions regarding the amnesty program. From September 2 through November 30, the Division of Taxation’s tax amnesty call center received over 8,800 calls.
- ❑ The Division of Taxation allowed taxpayer to pay on installment agreements; however the final payment had to be received on or before December 14, 2012.

2012 Tax Amnesty Program Reports:

Exhibit A: Total Revenue Collected. Exhibit A details the total amount received by tax type and month.

Exhibit B: Total New Revenue Collected. Exhibit B details the total “new revenue” collected by tax type.

EXHIBIT A

2012 Tax Amnesty Total Revenue

Tax Type	Month	Tax	Interest	Total
Bank Income Tax	September	\$0.00	\$0.00	\$0.00
	October	\$0.00	\$0.00	\$0.00
	November	\$106,096.00	\$22,651.02	\$128,747.02
	December	\$0.00	\$0.00	\$0.00
		<hr/>	<hr/>	<hr/>
		\$106,096.00	\$22,651.02	\$128,747.02
Cigarette	September	\$7,205.20	\$5,113.41	\$12,318.61
	October	\$21,584.00	\$13,889.54	\$35,473.54
	November	\$12,064.19	\$7,178.05	\$19,242.24
	December	\$47.86	\$26.99	\$74.85
		<hr/>	<hr/>	<hr/>
		\$40,901.25	\$26,207.99	\$67,109.24
Corporation	September	\$898,795.60	\$165,300.98	\$1,064,096.58
	October	\$79,370.56	\$184,050.77	\$263,421.33
	November	\$213,225.52	\$239,791.82	\$453,017.34
	December	\$361,924.88	\$308,201.07	\$670,125.95
		<hr/>	<hr/>	<hr/>
		\$1,553,316.56	\$897,344.64	\$2,450,661.20
DLT- Employment Sec	September	\$0.00	\$0.00	\$0.00
	October	\$0.00	\$0.00	\$0.00
	November	\$6,018.01	\$830.78	\$6,848.79
	December	\$13,011.55	\$2,697.72	\$15,709.27
		<hr/>	<hr/>	<hr/>
		\$19,029.56	\$3,528.50	\$22,558.06
DLT- JDF	September	\$0.00	\$0.00	\$0.00
	October	\$0.00	\$0.00	\$0.00
	November	\$1,005.56	\$130.87	\$1,136.43
	December	\$2,334.15	\$408.51	\$2,742.66
		<hr/>	<hr/>	<hr/>
		\$3,339.71	\$539.38	\$3,879.09
DLT- TDI	September	\$0.00	\$0.00	\$0.00
	October	\$0.00	\$0.00	\$0.00
	November	\$3,090.73	\$522.78	\$3,613.51
	December	\$8,771.12	\$1,849.31	\$10,620.43
		<hr/>	<hr/>	<hr/>
		\$11,861.85	\$2,372.09	\$14,233.94
Estate	September	\$0.00	\$0.00	\$0.00
	October	\$85,072.00	\$17,922.08	\$102,994.08
	November	\$216,067.50	\$233,872.09	\$449,939.59
	December	\$131,733.34	\$105,242.37	\$236,975.71
		<hr/>	<hr/>	<hr/>
		\$432,872.84	\$357,036.54	\$789,909.38
Gas Tax	September	\$0.00	\$0.00	\$0.00
	October	\$0.00	\$0.00	\$0.00
	November	\$1,790.04	\$717.85	\$2,507.89
	December	\$323.64	\$143.97	\$467.61
		<hr/>	<hr/>	<hr/>
		\$2,113.68	\$861.82	\$2,975.50
Hard to Dispose	September	\$0.00	\$0.00	\$0.00
	October	\$0.00	\$0.00	\$0.00
	November	\$57,117.59	\$21,115.01	\$78,232.60
	December	\$0.00	\$0.00	\$0.00
		<hr/>	<hr/>	<hr/>
		\$57,117.59	\$21,115.01	\$78,232.60
HealthCare	September	\$0.00	\$0.00	\$0.00
	October	\$17,870.54	\$2,002.11	\$19,872.65
	November	\$0.00	\$0.00	\$0.00
	December	\$0.00	\$0.00	\$0.00
		<hr/>	<hr/>	<hr/>
		\$17,870.54	\$2,002.11	\$19,872.65
Hotel	September	\$389.96	\$10.24	\$400.20
	October	\$0.00	\$6.17	\$6.17
	November	\$17,184.13	\$10,762.07	\$27,946.20
	December	\$0.00	\$0.00	\$0.00
		<hr/>	<hr/>	<hr/>
		\$17,574.09	\$10,778.48	\$28,352.57
Imaging Surcharge	September	\$0.00	\$0.00	\$0.00
	October	\$0.00	\$0.00	\$0.00
	November	\$59,724.29	\$15,003.17	\$74,727.46
	December	\$0.00	\$0.00	\$0.00
		<hr/>	<hr/>	<hr/>
		\$59,724.29	\$15,003.17	\$74,727.46

EXHIBIT A (continued)

Insurance	September	\$0.00	\$0.00	\$0.00
	October	\$521.00	\$81.75	\$602.75
	November	\$3,116.52	\$15,735.66	\$18,852.18
	December	\$148,159.00	\$32,440.71	\$180,599.71
		<u>\$151,796.52</u>	<u>\$48,258.12</u>	<u>\$200,054.64</u>
Litter	September	\$0.00	\$6.54	\$6.54
	October	\$0.00	\$0.00	\$0.00
	November	\$0.00	\$0.00	\$0.00
	December	\$0.00	\$0.00	\$0.00
		<u>\$0.00</u>	<u>\$6.54</u>	<u>\$6.54</u>
Meals & Beverage	September	\$420.78	\$846.34	\$1,267.12
	October	\$1,211.89	\$256.27	\$1,468.16
	November	\$10,273.17	\$5,700.74	\$15,973.91
	December	\$6,880.47	\$1,119.59	\$8,000.06
		<u>\$18,786.31</u>	<u>\$7,922.94</u>	<u>\$26,709.25</u>
MCT - IFTA	September	\$0.00	\$0.00	\$0.00
	October	\$806.16	\$416.43	\$1,222.59
	November	\$0.00	\$0.00	\$0.00
	December	\$3,486.92	\$840.58	\$4,327.50
		<u>\$4,293.08</u>	<u>\$1,257.01</u>	<u>\$5,550.09</u>
Personal Income	September	\$565,939.18	\$282,340.52	\$848,279.70
	October	\$959,925.37	\$374,771.85	\$1,334,697.22
	November	\$2,566,880.00	\$1,053,143.60	\$3,620,023.60
	December	\$1,645,788.22	\$681,718.79	\$2,327,507.01
		<u>\$5,738,532.77</u>	<u>\$2,391,974.76</u>	<u>\$8,130,507.53</u>
Prepaid Wireless	September	\$0.00	\$0.00	\$0.00
	October	\$0.00	\$7.78	\$7.78
	November	\$0.00	\$0.00	\$0.00
	December	\$0.00	\$0.00	\$0.00
		<u>\$0.00</u>	<u>\$7.78</u>	<u>\$7.78</u>
Public Service	September	\$610,867.35	\$285,766.82	\$896,634.17
	October	\$1,638,335.45	\$714,940.40	\$2,353,275.85
	November	\$888,772.23	\$485,604.35	\$1,374,376.58
	December	\$388,244.71	\$149,159.53	\$537,404.24
		<u>\$3,526,219.74</u>	<u>\$1,635,471.10</u>	<u>\$5,161,690.84</u>
Rental Vehicle Surcharge	September	\$0.00	\$0.00	\$0.00
	October	\$0.00	\$0.00	\$0.00
	November	\$0.00	\$0.00	\$0.00
	December	\$16,976.43	\$7,179.05	\$24,155.48
		<u>\$16,976.43</u>	<u>\$7,179.05</u>	<u>\$24,155.48</u>
Sales	September	\$193,031.94	\$290,568.14	\$483,600.08
	October	\$225,320.30	\$110,729.97	\$336,050.27
	November	\$1,902,139.55	\$898,755.44	\$2,800,894.99
	December	\$676,283.64	\$308,568.86	\$984,852.50
		<u>\$2,996,775.43</u>	<u>\$1,608,622.41</u>	<u>\$4,605,397.84</u>
Wireless Surcharge	September	\$0.00	\$0.00	\$0.00
	October	\$0.00	\$0.00	\$0.00
	November	\$31,472.50	\$4,613.71	\$36,086.21
	December	\$0.00	\$0.00	\$0.00
		<u>\$31,472.50</u>	<u>\$4,613.71</u>	<u>\$36,086.21</u>
Withholding	September	\$16,522.03	\$11,102.04	\$27,624.07
	October	\$25,880.87	\$17,444.85	\$43,325.72
	November	\$196,739.23	\$54,679.82	\$251,419.05
	December	\$132,325.66	\$51,140.33	\$183,465.99
		<u>\$371,467.79</u>	<u>\$134,367.04</u>	<u>\$505,834.83</u>
TOTAL	September	\$2,293,172.04	\$1,041,055.03	\$3,334,227.07
	October	\$3,055,898.14	\$1,436,519.97	\$4,492,418.11
	November	\$6,292,776.76	\$3,070,808.83	\$9,363,585.59
	December	\$3,536,291.59	\$1,650,737.38	\$5,187,028.97
		<u>\$15,178,138.53</u>	<u>\$7,199,121.21</u>	<u>\$22,377,259.74</u>

EXHIBIT B

2012 Tax Amnesty New Revenue

Tax Type	Tax	Interest	Total
Bank Income Tax	\$106,096.00	\$22,651.02	\$128,747.02
Corporation	\$1,257,800.00	\$800,763.87	\$2,058,563.87
Estate	\$218,788.34	\$231,510.85	\$450,299.19
Gas Tax	\$2,113.68	\$861.82	\$2,975.50
Hard to Dispose	\$57,117.59	\$21,115.01	\$78,232.60
Hotel	\$17,184.13	\$10,762.07	\$27,946.20
Imaging Surcharge	\$59,724.29	\$15,003.17	\$74,727.46
Insurance	\$148,159.00	\$31,402.71	\$179,561.71
Meals & Beverage	\$16,572.59	\$4,760.79	\$21,333.38
MCT - IFTA	\$806.16	\$416.43	\$1,222.59
Personal Income	\$2,611,315.15	\$803,642.62	\$3,414,957.77
Public Service	\$3,308,601.98	\$1,475,261.20	\$4,783,863.18
Rental Vehicle Surcharge	\$16,976.43	\$7,179.05	\$24,155.48
Sales	\$2,224,413.20	\$945,378.11	\$3,169,791.31
Wireless Surcharge	\$31,472.50	\$4,613.71	\$36,086.21
Withholding	\$112,372.55	\$32,132.41	\$144,504.96
TOTAL	\$10,189,513.59	\$4,407,454.84	\$14,596,968.43