



Rhode Island Department of Revenue

Division of Taxation

ADV 2022-34
Tax Administration

ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS
November 25, 2022

Interest rates posted for 2023

Some rates changing

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today announced the interest rates that will apply in 2023 to overpayments and underpayments. The rates are based on formulas set in statute.

Interest on overpayments for calendar year 2023 shall be at the rate of 6.25% per annum. For calendar year 2022, the rate was 3.25% per annum.

Interest rate on overpayments (refunds)	
CALENDAR YEAR 2022	CALENDAR YEAR 2023
3.25%	6.25%

For calendar year 2023, the interest rate on delinquent tax payments shall be determined by the tax type. A change to the law drops the minimum interest rate to 12% per year beginning on January 1, 2023 for many types of delinquent tax payments. This rate applies to tax types that are not held in trust for the State.¹ The rate for “Trust fund taxes” will remain at 18.00% per annum, the same as the rate for 2022.

More information on this statutory change is available in the Division’s publication “[Advisory 2022-25 Interest Rate Reduction](#)” available on the Division’s [website](#), and related [FAQs](#). The Division has recently revised both the Advisory and FAQs to align with the latest guidance regarding the interest rate change.

Interest rate on underpayments (delinquencies)		
	CALENDAR YEAR 2022	CALENDAR YEAR 2023
Trust Fund Taxes	18.00%	18.00%
Other Tax Types	18.00%	12.00%

For historical data, please see following pages.

¹ “Trust fund taxes” are taxes collected from taxpayers by businesses and remitted by those businesses to the State. For example: sales tax, hotel tax, meals and beverage tax, and withholding tax. Trust fund taxes will continue to accrue interest at 18%. Businesses are required to remit these taxes to the State and there are criminal sanctions for those that misuse or misappropriate these taxes, which are the property of the State.

HISTORICAL DATA

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 equal 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, 2022, was 6.25%.² Thus, the Division’s interest rate on overpayments for calendar year 2023 is 6.25%.

DELINQUENCIES: Under [Rhode Island General Laws § 44-1-7](#), interest on delinquent payments is 2.00% above the prime rate. However, the statute also says that the interest rate on delinquencies cannot exceed 21.00% per annum, nor can it be less than 18.00% per annum for taxes held in trust for the State. For other tax types, the interest rate on delinquencies cannot exceed 21.00% per annum, nor can it be less than 12.00% per annum. Thus, the Division’s interest on delinquencies for calendar year 2023 shall be at the rate of 18.00% percent per annum for “Trust fund taxes” and 12% for taxes not held in trust for the State.

Interest rate on overpayments (refunds)		
FROM:	To:	RATE:
01/01/23	12/31/23	6.25%
01/01/22	12/31/22	3.25%
01/01/21	12/31/21	3.25%
01/01/20	12/31/20	5.00%
01/01/19	12/31/19	5.25%
01/01/18	12/31/18	4.25%
01/01/17	12/31/17	3.50%
01/01/10	12/31/16	3.25%
01/01/09	12/31/09	5.00%
01/01/08	12/31/08	7.75%
01/01/07	12/31/07	8.25%
07/01/06	12/31/06	6.75%
01/01/94	06/30/06	12.00%

Rhode Island General Laws § 44-1-7.1

Interest rate on underpayments (delinquent payments - “Trust fund taxes”)		
FROM:	To:	RATE:
01/01/23	12/31/23	18.00%
01/01/22	12/31/22	18.00%
01/01/21	12/31/21	18.00%
01/01/20	12/31/20	18.00%
01/01/19	12/31/19	18.00%
01/01/18	12/31/18	18.00%
01/01/17	12/31/17	18.00%
01/01/10	12/31/16	18.00%
01/01/09	12/31/09	18.00%
01/01/08	12/31/08	18.00%
01/01/07	12/31/07	18.00%
10/01/06	12/31/06	18.00%
01/01/94	09/30/06	12.00%

Rhode Island General Laws § 44-1-7

² See <https://www.federalreserve.gov/releases/h15/>.

Interest rate on underpayments (delinquent payments - other tax types)		
FROM:	TO:	RATE:
01/01/23	12/31/23	12.00%
01/01/22	12/31/22	18.00%
01/01/21	12/31/21	18.00%
01/01/20	12/31/20	18.00%
01/01/19	12/31/19	18.00%
01/01/18	12/31/18	18.00%
01/01/17	12/31/17	18.00%
01/01/10	12/31/16	18.00%
01/01/09	12/31/09	18.00%
01/01/08	12/31/08	18.00%
01/01/07	12/31/07	18.00%
10/01/06	12/31/06	18.00%
01/01/94	09/30/06	12.00%
Rhode Island General Laws § 44-1-7		

The Rhode Island Division of Taxation, part of the Rhode Island Department of Revenue, 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 <https://tax.ri.gov/about-us/contact-us>.
