

280-RICR-20-00-6

TITLE 280 – DEPARTMENT OF REVENUE

CHAPTER 20 – DIVISION OF TAXATION

SUBCHAPTER 00 – GENERAL ADMINISTRATION

Part 6 – Offers in Compromise

6.1 Purpose

The purpose of this regulation is to allow the Tax Administrator to, pursuant to R. I. Gen. Laws § 44-1-10, with the approval of the Director of Revenue, compromise, abate, or cancel any tax, excise, fee, penalty, interest or other charge payable to the Tax Administrator if he/she determines that said charge is uncollectible, illegal or excessive in whole or in part.

6.2 Authority

This regulation is promulgated pursuant to R.I. Gen. Laws §§ 4-1-4 and 44-1-10. These rules have been prepared in accordance with the requirements of R.I. Gen. Laws §§ 42-35-1 et seq.

6.3 Application

The terms and provisions of these rules and regulations shall be liberally construed to permit the Department of Revenue to effectuate the purpose of R.I. Gen. Laws § 44-1-10 and other applicable state laws and regulations.

6.4 Severability

If any provision of these rules and regulations, or the application thereof to any person or circumstance, is held invalid by a court of competent jurisdiction, the validity of the remainder of the rules and regulations shall not be affected thereby.

6.5 Form RI 656

- A. A taxpayer may propose an offer in compromise by filing Form RI 656 with the Tax Administrator. The offer, in addition to taxpayer identification, shall set forth:
 - 1. type(s) of tax;
 - 2. the amount of offer in compromise;

3. reasons for the offer in compromise and
4. any information relating to offers in compromise submitted to the Internal Revenue Service.

6.6 Form RI 433

When making such offer, or within ten (10) days from the date of application, the taxpayer shall submit a completed Rhode Island Form 433.

6.7 Withdrawal, Rejection or Acceptance of Offer

The offer may be withdrawn by the taxpayer at any time prior to its acceptance. If the offer is rejected, the taxpayer will be notified by the Tax Administrator in writing, and if payment of the compromise offer was made at the time of application, the payment remitted with the proposed compromise will be returned to the taxpayer without interest. An offer is considered accepted only when the taxpayer is notified in writing of its acceptance. Full payment must be made within thirty (30) days from date of notification that the offer is accepted. Accepting or rejecting an offer in compromise is a discretionary determination that does not give rise to a cause of action.

6.8 Additional Information

The Tax Administrator may request additional financial or other information as he/she deems necessary in considering the offer.

6.9 Failure to Comply

If the taxpayer fails to comply with all provisions of state law relating to the filing of returns and paying required taxes for five (5) years from the date the offer was accepted, the Tax Administrator may treat the offer as defaulted and reinstate the unpaid balance. Interest shall accrue from the date of default.