

2021 -- H 5116

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND
COMPUTATION

Introduced By: Representative Joseph J. Solomon

Date Introduced: January 25, 2021

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes – Liability
2 and Computation" is hereby amended by adding thereto the following section:

3 **44-18-18.2. Annual Sales Tax Holiday.**

4 (a) Notwithstanding any general or public law to the contrary, for the days of August 7,
5 2021 and August 8, 2021, sales tax shall not be imposed upon nonbusiness sales at retail of tangible
6 personal property. For purposes of this section, tangible personal property shall not include
7 telecommunications, tobacco products, gas, steam, oil, electricity, motor vehicles, motorboats,
8 meals or a single item whose price exceeds two thousand five hundred dollars (\$2,500).

9 (b) Notwithstanding any general or public law to the contrary, for the days of August 7,
10 2021 and August 8, 2021, a vendor shall not add to the sales price, or collect from a nonbusiness
11 purchaser, an excise upon sales at retail of tangible personal property. The director of the
12 department of revenue ("the director") shall not require a vendor to collect and pay taxes upon sales
13 at retail of tangible personal property purchased on August 7, 2021 and August 8, 2021. An excise
14 erroneously or improperly collected during the days of August 7, 2021 and August 8, 2021, shall
15 be remitted to the department of revenue.

16 This section shall not apply to the sale of telecommunications, tobacco products, gas,
17 steam, oil, electricity, motor vehicles, motorboats, meals or a single item the price of which is in
18 excess of two thousand five hundred dollars (\$2,500).

1 (c) Reporting requirements imposed upon vendors of tangible personal property, by law or
2 by regulation, including, but not limited to, the requirements for filing returns required pursuant to
3 the general laws, shall remain in effect for sales for the days of August 7, 2021 and August 8, 2021.

4 (d) On or before December 31, 2021, the director of the department of revenue shall certify
5 to the comptroller the amount of sales tax forgone, as well as new revenue raised from personal
6 and corporate income taxes and other sources pursuant to this section. The director shall file a report
7 with the house and senate finance committees detailing the distribution of revenues which would
8 have been deposited in each fund without this section.

9 (e) The director shall issue instructions or forms, or promulgate rules or regulations, as
10 necessary for the implementation of this section.

11 (f) Eligible sales at retail of tangible personal property under subsections (a) and (b) of this
12 section are restricted to those transactions occurring on August 7, 2021 and August 8, 2021.
13 Transfer of possession of or payment in full for the property shall occur on one of those days, and
14 prior sales or layaway sales shall be ineligible.

15 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND
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1 This act would create a sales tax holiday for the days of August 7, 2021 and August 8,
2 2021, and no sales taxes would be collected on nonbusiness sales of tangible personal property,
3 with the exception of sales of telecommunications, tobacco products, gas, steam, oil, electricity,
4 motor vehicles, motorboats, meals or a single item whose price exceeds two thousand five hundred
5 dollars (\$2,500).

6 This act would take effect upon passage.

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