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**ARTICLE 21 AS AMENDED**

RELATING TO TAXATION AND REVENUES

SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled “Licensing of Health Care Facilities” is hereby amended to read as follows:

**23-17-38.1. Hospitals – Licensing fee.** -- ~~(a) There is imposed a hospital licensing fee at the rate of five and four hundred sixty five thousandths percent (5.465%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2009. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of administration, and all the administration, collection and other provisions of chapters 50 and 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 18, 2011 and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund in accordance with § 44-50-11 [repealed]. Every hospital shall, on or before June 20, 2011, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2009, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.~~

~~(b)~~(a) There is ~~also~~ imposed a hospital licensing fee at the rate of five and forty-three hundredths percent (5.43%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2010. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of administration, and all the administration, collection and other provisions of chapters 50 and 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 16, 2012 and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund in accordance with section 44-50-11 [repealed]. Every hospital shall, on or before June 18, 2012, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2010, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(b) There is also imposed a hospital licensing fee at the rate of five and thirty-five

1 hundredths percent (5.35%) upon the net patient services revenue of every hospital for the  
2 hospital's first fiscal year ending on or after January 1, 2011, except that the license fee for all  
3 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent  
4 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of  
5 the US Department of Health and Human Services of a state plan amendment submitted by the  
6 Executive Office of Health and Human Services for the purpose of pursuing a waiver of the  
7 uniformity requirement for the hospital license fee. This licensing fee shall be administered and  
8 collected by the tax administrator, division of taxation within the department of revenue, and all  
9 the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital  
10 shall pay the licensing fee to the tax administrator on or before July 15, 2013 and payments shall  
11 be made by electronic transfer of monies to the general treasurer and deposited to the general  
12 fund. Every hospital shall, on or before June 17, 2013, make a return to the tax administrator  
13 containing the correct computation of net patient services revenue for the hospital fiscal year  
14 ending September 30, 2011, and the licensing fee due upon that amount. All returns shall be  
15 signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

16 (c) For purposes of this section the following words and phrases have the following  
17 meanings:

18 (1) "Hospital" means a person or governmental unit duly licensed in accordance with this  
19 chapter to establish, maintain, and operate a hospital, except a hospital whose primary service and  
20 primary bed inventory are psychiatric.

21 (2) "Gross patient services revenue" means the gross revenue related to patient care  
22 services.

23 (3) "Net patient services revenue" means the charges related to patient care services less  
24 (i) charges attributable to charity care, (ii) bad debt expenses, and (iii) contractual allowances.

25 (d) The tax administrator shall make and promulgate any rules, regulations, and  
26 procedures not inconsistent with state law and fiscal procedures that he or she deems necessary  
27 for the proper administration of this section and to carry out the provisions, policy and purposes  
28 of this section.

29 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein  
30 which are duly licensed on July 1, ~~2011~~ 2012, and shall be in addition to the inspection fee  
31 imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-  
32 38.1.

33 SECTION 2. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
34 adding thereto the following chapter:

1 CHAPTER 44-6.4

2 2012 RHODE ISLAND TAX AMNESTY ACT

3 **44-6.4-1. Short title.** -- This chapter shall be known as the "2012 Rhode Island Tax  
4 Amnesty Act".

5 **44-6.4-2. Definitions.** -- As used in this chapter, the following terms have the meaning  
6 ascribed to them in this section, except when the context clearly indicates a different meaning:

7 (1) "Taxable period" means any period for which a tax return is required by law to be  
8 filed with the tax administrator;

9 (2) "Taxpayer" means any person, corporation, or other entity subject to any tax imposed  
10 by any law of the state of Rhode Island and payable to the state of Rhode Island and collected by  
11 the tax administrator.

12 **44-6.4-3. Establishment of tax amnesty.** -- (a) The tax administrator shall establish a tax  
13 amnesty program for all taxpayers owing any tax imposed by reason of or pursuant to  
14 authorization by any law of the state of Rhode Island and collected by the tax administrator.  
15 Amnesty tax return forms shall be prepared by the tax administrator and shall provide that the  
16 taxpayer clearly specify the tax due and the taxable period for which amnesty is being sought by  
17 the taxpayer.

18 (b) The amnesty program shall be conducted for a seventy-five (75) day period ending on  
19 November 15, 2012. The amnesty program shall provide that, upon written application by a  
20 taxpayer and payment by the taxpayer of all taxes and interest due from the taxpayer to the state  
21 of Rhode Island for any taxable period ending on or prior to December 31, 2011, the tax  
22 administrator shall not seek to collect any penalties which may be applicable and shall not seek  
23 the civil or criminal prosecution of any taxpayer for the taxable period for which amnesty has  
24 been granted. Amnesty shall be granted only to those taxpayers applying for amnesty during the  
25 amnesty period who have paid the tax and interest due upon filing the amnesty tax return, or who  
26 have entered into an installment payment agreement for reasons of financial hardship and upon  
27 terms and conditions set by the tax administrator. In the case of the failure of a taxpayer to pay  
28 any installment due under the agreement, such an agreement shall cease to be effective and the  
29 balance of the amounts required to be paid thereunder shall be due immediately. Amnesty shall be  
30 granted for only the taxable period specified in the application and only if all amnesty conditions  
31 are satisfied by the taxpayer.

32 (c) The provisions of this section shall include a taxable period for which a bill or notice  
33 of deficiency determination has been sent to the taxpayer and a taxable period in which an audit  
34 has been completed but has not yet been billed.

1 (d) Amnesty shall not be granted to taxpayers who are under any criminal investigation or  
2 are a party to any civil or criminal proceeding, pending in any court of the United States or the  
3 state of Rhode Island, for fraud in relation to any state tax imposed by the law of the state and  
4 collected by the tax administrator.

5 **44-6.4-4. Interest under tax amnesty.** -- Notwithstanding any provision of law to the  
6 contrary, interest on any taxes paid for periods covered under the amnesty provisions of this  
7 chapter shall be computed at the rate imposed under section 44-1-7, reduced by twenty five  
8 percent (25%).

9 **44-6.4-5. Appropriation.** -- There is hereby appropriated, out of any money in the  
10 treasury not otherwise appropriated for the 2013 fiscal year, the sum of three hundred thousand  
11 dollars (\$300,000) to the division of taxation to carry out the purposes of this chapter. The state  
12 controller is hereby authorized and directed to draw his or her orders upon the general treasurer  
13 for the payment of the sum or so much thereof as may be required from time to time and upon  
14 receipt by him of properly authenticated vouchers.

15 **44-6.4-6. Implementation.** -- Notwithstanding any provision of law to the contrary, the  
16 tax administrator may do all things necessary in order to provide for the timely implementation of  
17 this chapter, including, but not limited to, procurement of printing and other services and  
18 expenditure of appropriated funds as provided for in section 44-6.4-5.

19 **44-6.4-7. Disposition of monies.** -- (a) Except as provided in subsection (b) within, all  
20 monies collected pursuant to any tax imposed by the state of Rhode Island under the provisions of  
21 this chapter shall be accounted for separately and paid into the general fund.

22 (b) Monies collected for the establishment of the TDI Reserve Fund (section 28-39-7),  
23 the Employment Security Fund (section 28-42-18), the Employment Security Interest Fund  
24 (section 28-42-75), the Job Development Fund (section 28-42-83), and the Employment Security  
25 Reemployment Fund (section 28-42-87) shall be deposited in said respective funds.

26 **44-6.4-8. Analysis of amnesty program by tax administrator.** -- The tax administrator  
27 shall provide an analysis of the amnesty program to the chairpersons of the house finance  
28 committee and senate finance committee, with copies to the members of the revenue estimating  
29 conference, by January 1, 2013. The report shall include an analysis of revenues received by tax  
30 source, distinguishing between the tax collected and interest collected for each source. In  
31 addition, the report shall further identify the amounts that are new revenues from those already  
32 included in the general revenue receivable taxes, defined under generally accepted accounting  
33 principles and the state's audited financial statements.

34 **44-6.4-9. Rules and regulations.**-- The tax administrator may promulgate such rules and

1 [regulations as are necessary to implement the provisions of this chapter.](#)

2 SECTION 3. Sections 44-18-7, 44-18-8, 44-18-12, 44-18-15, 44-18-18, 44-18-20, 44-18-  
3 21, 44-18-22, 44-18-23, 44-18-25 and 44-18-30 of the General Laws in Chapter 44-18 entitled  
4 “Sales and Use Taxes – Liability and Computation” are hereby amended to read as follows:

5 **44-18-7. Sales defined [effective until October 1, 2012].** --"Sales" means and includes:

6 (1) Any transfer of title or possession, exchange, barter, lease, or rental, conditional or  
7 otherwise, in any manner or by any means of tangible personal property for a consideration.  
8 "Transfer of possession", "lease", or "rental" includes transactions found by the tax administrator  
9 to be in lieu of a transfer of title, exchange, or barter.

10 (2) The producing, fabricating, processing, printing, or imprinting of tangible personal  
11 property for a consideration for consumers who furnish either directly or indirectly the materials  
12 used in the producing, fabricating, processing, printing, or imprinting.

13 (3) The furnishing and distributing of tangible personal property for a consideration by  
14 social, athletic, and similar clubs and fraternal organizations to their members or others.

15 (4) The furnishing, preparing, or serving for consideration of food, meals, or drinks,  
16 including any cover, minimum, entertainment, or other charge in connection therewith.

17 (5) A transaction whereby the possession of tangible personal property is transferred, but  
18 the seller retains the title as security for the payment of the price.

19 (6) Any withdrawal, except a withdrawal pursuant to a transaction in foreign or interstate  
20 commerce, of tangible personal property from the place where it is located for delivery to a point  
21 in this state for the purpose of the transfer of title or possession, exchange, barter, lease, or rental,  
22 conditional or otherwise, in any manner or by any means whatsoever, of the property for a  
23 consideration.

24 (7) A transfer for a consideration of the title or possession of tangible personal property,  
25 which has been produced, fabricated, or printed to the special order of the customer, or any  
26 publication.

27 (8) The furnishing and distributing of electricity, natural gas, artificial gas, steam,  
28 refrigeration, and water.

29 (9) The furnishing for consideration of intrastate, interstate and international  
30 telecommunications service sourced in this state in accordance with subsections 44-18.1(15) and  
31 (16) and all ancillary services, any maintenance services of telecommunication equipment other  
32 than as provided for in subdivision 44-18-12(b)(ii). For the purposes of chapters 18 and 19 of this  
33 title only, telecommunication service does not include service rendered using a prepaid telephone  
34 calling arrangement.

1 (ii) Notwithstanding the provisions of paragraph (i) of this subdivision, in accordance  
2 with the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 – 126), subject to the  
3 specific exemptions described in 4 U.S.C. § 116(c), and the exemptions provided in §§ 44-18-8  
4 and 44-18-12, mobile telecommunications services that are deemed to be provided by the  
5 customer's home service provider are subject to tax under this chapter if the customer's place of  
6 primary use is in this state regardless of where the mobile telecommunications services originate,  
7 terminate or pass through. Mobile telecommunications services provided to a customer, the  
8 charges for which are billed by or for the customer's home service provider, shall be deemed to be  
9 provided by the customer's home service provider.

10 (10) The furnishing of service for transmission of messages by telegraph, cable, or radio  
11 and the furnishing of community antenna television, subscription television, and cable television  
12 services.

13 (11) The rental of living quarters in any hotel, rooming house, or tourist camp.

14 (12) The transfer for consideration of prepaid telephone calling arrangements and the  
15 recharge of prepaid telephone calling arrangements sourced to this state in accordance with §§  
16 44-18.1-11 and 44-18.1-15. "Prepaid telephone calling arrangement" means and includes prepaid  
17 calling service and prepaid wireless calling service.

18 ~~(13) The furnishing of package tour and scenic and sightseeing transportation services as~~  
19 ~~set forth in the 2007 North American Industrial Classification System codes 561520 and 487~~  
20 ~~provided that such services are conducted in the state, in whole or in part. Said services include~~  
21 ~~all activities engaged in for other persons for a fee, retainer, commission, or other monetary~~  
22 ~~charge, which activities involve the performance of a service as distinguished from selling~~  
23 ~~property.~~

24 ~~(14)~~(13) The sale, storage, use or other consumption of over-the-counter drugs as defined  
25 in paragraph 44-18-7.1(h)(ii).

26 ~~(15)~~(14) The sale, storage, use or other consumption of prewritten computer software  
27 delivered electronically or by load and leave as defined in paragraph 44-18-7.1(v).

28 ~~(16)~~(15) The sale, storage, use or other consumption of medical marijuana as defined in  
29 §21-28.6-3.

30 **44-18-7. Sales defined [effective October 1, 2012].** --"Sales" means and includes:

31 (1) Any transfer of title or possession, exchange, barter, lease, or rental, conditional or  
32 otherwise, in any manner or by any means of tangible personal property for a consideration.  
33 "Transfer of possession", "lease", or "rental" includes transactions found by the tax administrator  
34 to be in lieu of a transfer of title, exchange, or barter.

1           (2) The producing, fabricating, processing, printing, or imprinting of tangible personal  
2 property for a consideration for consumers who furnish either directly or indirectly the materials  
3 used in the producing, fabricating, processing, printing, or imprinting.

4           (3) The furnishing and distributing of tangible personal property for a consideration by  
5 social, athletic, and similar clubs and fraternal organizations to their members or others.

6           (4) The furnishing, preparing, or serving for consideration of food, meals, or drinks,  
7 including any cover, minimum, entertainment, or other charge in connection therewith.

8           (5) A transaction whereby the possession of tangible personal property is transferred, but  
9 the seller retains the title as security for the payment of the price.

10          (6) Any withdrawal, except a withdrawal pursuant to a transaction in foreign or interstate  
11 commerce, of tangible personal property from the place where it is located for delivery to a point  
12 in this state for the purpose of the transfer of title or possession, exchange, barter, lease, or rental,  
13 conditional or otherwise, in any manner or by any means whatsoever, of the property for a  
14 consideration.

15          (7) A transfer for a consideration of the title or possession of tangible personal property,  
16 which has been produced, fabricated, or printed to the special order of the customer, or any  
17 publication.

18          (8) The furnishing and distributing of electricity, natural gas, artificial gas, steam,  
19 refrigeration, and water.

20          (9) The furnishing for consideration of intrastate, interstate and international  
21 telecommunications service sourced in this state in accordance with subsections 44-18.1(15) and  
22 (16) and all ancillary services, any maintenance services of telecommunication equipment other  
23 than as provided for in subdivision 44-18-12(b)(ii). For the purposes of chapters 18 and 19 of this  
24 title only, telecommunication service does not include service rendered using a prepaid telephone  
25 calling arrangement.

26           (ii) Notwithstanding the provisions of paragraph (i) of this subdivision, in accordance  
27 with the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 – 126), subject to the  
28 specific exemptions described in 4 U.S.C. § 116(c), and the exemptions provided in §§ 44-18-8  
29 and 44-18-12, mobile telecommunications services that are deemed to be provided by the  
30 customer's home service provider are subject to tax under this chapter if the customer's place of  
31 primary use is in this state regardless of where the mobile telecommunications services originate,  
32 terminate or pass through. Mobile telecommunications services provided to a customer, the  
33 charges for which are billed by or for the customer's home service provider, shall be deemed to be  
34 provided by the customer's home service provider.

1 (10) The furnishing of service for transmission of messages by telegraph, cable, or radio  
2 and the furnishing of community antenna television, subscription television, and cable television  
3 services.

4 (11) The rental of living quarters in any hotel, rooming house, or tourist camp.

5 (12) The transfer for consideration of prepaid telephone calling arrangements and the  
6 recharge of prepaid telephone calling arrangements sourced to this state in accordance with §§  
7 44-18.1-11 and 44-18.1-15. "Prepaid telephone calling arrangement" means and includes prepaid  
8 calling service and prepaid wireless calling service.

9 (13) The sale, storage, use or other consumption of over-the-counter drugs as defined in  
10 paragraph 44-18-7.1(h)(ii).

11 (14) The sale, storage, use or other consumption of prewritten computer software  
12 delivered electronically or by load and leave as defined in paragraph 44-18-7.1(v).

13 (15) The sale, storage, use or other consumption of medical marijuana as defined in §21-  
14 28.6-3.

15 [\(16\) The furnishing of services in this state as defined in section 44-18-7.3.](#)

16 **44-18-8. Retail sale or sale at retail defined [effective until October 1, 2012]. -- A**

17 "retail sale" or "sale at retail" means any sale, lease or rentals of tangible personal property,  
18 prewritten computer software delivered electronically or by load and leave, ~~and/or package tour~~  
19 ~~and scenic and sightseeing transportation services,~~ for any purpose other than resale, sublease or  
20 subrent in the regular course of business. The sale of tangible personal property to be used for  
21 purposes of rental in the regular course of business is considered to be a sale for resale. In regard  
22 to telecommunications service as defined in § 44-18-7(9), retail sale does not include the  
23 purchase of telecommunications service by a telecommunications provider from another  
24 telecommunication provider for resale to the ultimate consumer; provided, that the purchaser  
25 submits to the seller a certificate attesting to the applicability of this exclusion, upon receipt of  
26 which the seller is relieved of any tax liability for the sale.

27 **44-18-8. Retail sale or sale at retail defined [effective October 1, 2012]. -- A** "retail

28 sale" or "sale at retail" means any sale, lease or rentals of tangible personal property, prewritten  
29 computer software delivered electronically or by load and leave, [or services as defined in section](#)  
30 [44-18-7.3](#) for any purpose other than resale, sublease or subrent in the regular course of business.  
31 The sale of tangible personal property to be used for purposes of rental in the regular course of  
32 business is considered to be a sale for resale. In regard to telecommunications service as defined  
33 in § 44-18-7(9), retail sale does not include the purchase of telecommunications service by a  
34 telecommunications provider from another telecommunication provider for resale to the ultimate



1 consumer; provided, that the purchaser submits to the seller a certificate attesting to the  
2 applicability of this exclusion, upon receipt of which the seller is relieved of any tax liability for  
3 the sale.

4 **44-18-12. Sale price" defined [effective until October 1, 2012].** -- (a) "Sales price"  
5 applies to the measure subject to sales tax and means the total amount of consideration, including  
6 cash, credit, property, and services, for which personal property or services are sold, leased, or  
7 rented, valued in money, whether received in money or otherwise, without any deduction for the  
8 following:

9 (i) The seller's cost of the property sold;

10 (ii) The cost of materials used, labor or service cost, interest, losses, all costs of  
11 transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;

12 (iii) Charges by the seller for any services necessary to complete the sale, other than  
13 delivery and installation charges;

14 (iv) Delivery charges, as defined in § 44-18-7.1(i);

15 (v) Credit for any trade-in, as determined by state law;

16 ~~(vi) The amount charged for package tour and scenic and sightseeing transportation~~  
17 ~~services; or~~

18 (b) "Sales price" shall not include:

19 (i) Discounts, including cash, term, or coupons that are not reimbursed by a third party  
20 that are allowed by a seller and taken by a purchaser on a sale;

21 (ii) The amount charged for labor or services, ~~except for package tours and scenic and~~  
22 ~~sightseeing transportation services,~~ rendered in installing or applying the property sold when the  
23 charge is separately stated by the retailer to the purchaser; provided that in transactions subject to  
24 the provisions of this chapter the retailer shall separately state such charge when requested by the  
25 purchaser and, further, the failure to separately state such charge when requested may be  
26 restrained in the same manner as other unlawful acts or practices prescribed in chapter 13.1 of  
27 title 6.

28 (iii) Interest, financing, and carrying charges from credit extended on the sale of personal  
29 property or services, if the amount is separately stated on the invoice, bill of sale or similar  
30 document given to the purchaser; and

31 (iv) Any taxes legally imposed directly on the consumer that are separately stated on the  
32 invoice, bill of sale or similar document given to the purchaser.

33 (v) Manufacturer rebates allowed on the sale of motor vehicles.

34 (c) "Sales price" shall include consideration received by the seller from third parties if:

1 (i) The seller actually receives consideration from a party other than the purchaser and the  
2 consideration is directly related to a price reduction or discount on the sale;

3 (ii) The seller has an obligation to pass the price reduction or discount through to the  
4 purchaser;

5 (iii) The amount of the consideration attributable to the sale is fixed and determinable by  
6 the seller at the time of the sale of the item to the purchaser; and

7 (iv) One of the following criteria is met:

8 (A) The purchaser presents a coupon, certificate or other documentation to the seller to  
9 claim a price reduction or discount where the coupon, certificate or documentation is authorized,  
10 distributed or granted by a third party with the understanding that the third party will reimburse  
11 any seller to whom the coupon, certificate or documentation is presented;

12 (B) The purchaser identifies himself or herself to the seller as a member of a group or  
13 organization entitled to a price reduction or discount (a "preferred customer" card that is available  
14 to any patron does not constitute membership in such a group), or

15 (C) The price reduction or discount is identified as a third party price reduction or  
16 discount on the invoice received by the purchaser or on a coupon, certificate or other  
17 documentation presented by the purchaser.

18 **44-18-12. Sale price" defined [effective October 1, 2012]. --** (a) "Sales price" applies to  
19 the measure subject to sales tax and means the total amount of consideration, including cash,  
20 credit, property, and services, for which personal property or services are sold, leased, or rented,  
21 valued in money, whether received in money or otherwise, without any deduction for the  
22 following:

23 (i) The seller's cost of the property sold;

24 (ii) The cost of materials used, labor or service cost, interest, losses, all costs of  
25 transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;

26 (iii) Charges by the seller for any services necessary to complete the sale, other than  
27 delivery and installation charges;

28 (iv) Delivery charges, as defined in § 44-18-7.1(i);

29 (v) Credit for any trade-in, as determined by state law; [or](#)

30 [\(vi\) The amount charged for services, as defined in section 44-18-7.3.](#)

31 (b) "Sales price" shall not include:

32 (i) Discounts, including cash, term, or coupons that are not reimbursed by a third party  
33 that are allowed by a seller and taken by a purchaser on a sale;

34 (ii) The amount charged for labor or services rendered in installing or applying the

1 property sold when the charge is separately stated by the retailer to the purchaser; provided that in  
2 transactions subject to the provisions of this chapter the retailer shall separately state such charge  
3 when requested by the purchaser and, further, the failure to separately state such charge when  
4 requested may be restrained in the same manner as other unlawful acts or practices prescribed in  
5 chapter 13.1 of title 6.

6 (iii) Interest, financing, and carrying charges from credit extended on the sale of personal  
7 property or services, if the amount is separately stated on the invoice, bill of sale or similar  
8 document given to the purchaser; and

9 (iv) Any taxes legally imposed directly on the consumer that are separately stated on the  
10 invoice, bill of sale or similar document given to the purchaser.

11 (v) Manufacturer rebates allowed on the sale of motor vehicles.

12 (c) "Sales price" shall include consideration received by the seller from third parties if:

13 (i) The seller actually receives consideration from a party other than the purchaser and the  
14 consideration is directly related to a price reduction or discount on the sale;

15 (ii) The seller has an obligation to pass the price reduction or discount through to the  
16 purchaser;

17 (iii) The amount of the consideration attributable to the sale is fixed and determinable by  
18 the seller at the time of the sale of the item to the purchaser; and

19 (iv) One of the following criteria is met:

20 (A) The purchaser presents a coupon, certificate or other documentation to the seller to  
21 claim a price reduction or discount where the coupon, certificate or documentation is authorized,  
22 distributed or granted by a third party with the understanding that the third party will reimburse  
23 any seller to whom the coupon, certificate or documentation is presented;

24 (B) The purchaser identifies himself or herself to the seller as a member of a group or  
25 organization entitled to a price reduction or discount (a "preferred customer" card that is available  
26 to any patron does not constitute membership in such a group), or

27 (C) The price reduction or discount is identified as a third party price reduction or  
28 discount on the invoice received by the purchaser or on a coupon, certificate or other  
29 documentation presented by the purchaser.

30 **44-18-15."Retailer" defined [effective until October 1, 2012].--** (a) "Retailer" includes:

31 (1) Every person engaged in the business of making sales at retail; prewritten computer  
32 software delivered electronically or by load and leave, ~~and/or package tour and scenic and~~  
33 ~~sightseeing transportation services, including~~ sales at auction of tangible personal property owned  
34 by the person or others.

1           (2) Every person making sales of tangible personal property, prewritten computer  
2 software delivered electronically or by load and leave, ~~and/or package tour and scenic and~~  
3 ~~sightseeing transportation services~~, through an independent contractor or other representative, if  
4 the retailer enters into an agreement with a resident of this state, under which the resident, for a  
5 commission or other consideration, directly or indirectly refers potential customers, whether by a  
6 link on an Internet website or otherwise, to the retailer, provided the cumulative gross receipts  
7 from sales by the retailer to customers in the state who are referred to the retailer by all residents  
8 with this type of an agreement with the retailer, is in excess of five thousand dollars (\$5,000)  
9 during the preceding four (4) quarterly periods ending on the last day of March, June, September  
10 and December. Such retailer shall be presumed to be soliciting business through such independent  
11 contractor or other representative, which presumption may be rebutted by proof that the resident  
12 with whom the retailer has an agreement did not engage in any solicitation in the state on behalf  
13 of the retailer that would satisfy the nexus requirement of the United States Constitution during  
14 such four (4) quarterly periods.

15           (3) Every person engaged in the business of making sales for storage, use, or other  
16 consumption, or the business of making sales at auction of tangible personal property, for storage,  
17 use, or other consumption prewritten computer software delivered electronically or by load and  
18 leave, ~~and/or package tour and scenic and sightseeing transportation services, owned by the~~  
19 ~~person or others for storage, use, or other consumption.~~

20           (4) A person conducting a horse race meeting with respect to horses, which are claimed  
21 during the meeting.

22           (5) Every person engaged in the business of renting any living quarters in any hotel,  
23 rooming house, or tourist camp.

24           (6) Every person maintaining a business within or outside of this state who engages in the  
25 regular or systematic solicitation of sales of tangible personal property, prewritten computer  
26 software delivered electronically or by load and leave, ~~and/or package tour and scenic and~~  
27 ~~sightseeing transportation services, in this state by means of:~~

28           (i) Advertising in newspapers, magazines, and other periodicals published in this state,  
29 sold over the counter in this state or sold by subscription to residents of this state, billboards  
30 located in this state, airborne advertising messages produced or transported in the airspace above  
31 this state, display cards and posters on common carriers or any other means of public conveyance  
32 incorporated or operated primarily in this state, brochures, catalogs, circulars, coupons,  
33 pamphlets, samples, and similar advertising material mailed to, or distributed within this state to  
34 residents of this state;

1 (ii) Telephone;  
2 (iii) Computer assisted shopping networks; and  
3 (iv) Television, radio or any other electronic media, which is intended to be broadcast to  
4 consumers located in this state.

5 (b) When the tax administrator determines that it is necessary for the proper  
6 administration of chapters 18 and 19 of this title to regard any salespersons, representatives,  
7 truckers, peddlers, or canvassers as the agents of the dealers, distributors, supervisors, employers,  
8 or persons under whom they operate or from whom they obtain the tangible personal property  
9 sold by them, irrespective of whether they are making sales on their own behalf or on behalf of  
10 the dealers, distributors, supervisors, or employers, the tax administrator may so regard them and  
11 may regard the dealers, distributors, supervisors, or employers as retailers for purposes of  
12 chapters 18 and 19 of this title.

13 **44-18-15."Retailer" defined [effective October 1, 2012].--** (a) "Retailer" includes:

14 (1) Every person engaged in the business of making sales at retail including prewritten  
15 computer software delivered electronically or by load and leave, sales of services as defined in  
16 section 44-18-7.3, and sales at auction of tangible personal property owned by the person or  
17 others.

18 (2) Every person making sales of tangible personal property including prewritten  
19 computer software delivered electronically or by load and leave, or sales of services as defined in  
20 section 44-18-7.3, through an independent contractor or other representative, if the retailer enters  
21 into an agreement with a resident of this state, under which the resident, for a commission or  
22 other consideration, directly or indirectly refers potential customers, whether by a link on an  
23 Internet website or otherwise, to the retailer, provided the cumulative gross receipts from sales by  
24 the retailer to customers in the state who are referred to the retailer by all residents with this type  
25 of an agreement with the retailer, is in excess of five thousand dollars (\$5,000) during the  
26 preceding four (4) quarterly periods ending on the last day of March, June, September and  
27 December. Such retailer shall be presumed to be soliciting business through such independent  
28 contractor or other representative, which presumption may be rebutted by proof that the resident  
29 with whom the retailer has an agreement did not engage in any solicitation in the state on behalf  
30 of the retailer that would satisfy the nexus requirement of the United States Constitution during  
31 such four (4) quarterly periods.

32 (3) Every person engaged in the business of making sales for storage, use, or other  
33 consumption of: (1) tangible personal property, (ii) ~~-, or the business of making~~ sales at auction of  
34 tangible personal property owned by the person or others, prewritten computer software delivered

1 electronically or by load and leave, [and \(iv\) services as defined in section 44-18-7.3.](#)

2 (4) A person conducting a horse race meeting with respect to horses, which are claimed  
3 during the meeting.

4 (5) Every person engaged in the business of renting any living quarters in any hotel [as](#)  
5 [defined in section 42-63.1-2](#), rooming house, or tourist camp.

6 (6) Every person maintaining a business within or outside of this state who engages in the  
7 regular or systematic solicitation of sales of tangible personal property, prewritten computer  
8 software delivered electronically or by load and leave:

9 (i) Advertising in newspapers, magazines, and other periodicals published in this state,  
10 sold over the counter in this state or sold by subscription to residents of this state, billboards  
11 located in this state, airborne advertising messages produced or transported in the airspace above  
12 this state, display cards and posters on common carriers or any other means of public conveyance  
13 incorporated or operated primarily in this state, brochures, catalogs, circulars, coupons,  
14 pamphlets, samples, and similar advertising material mailed to, or distributed within this state to  
15 residents of this state;

16 (ii) Telephone;

17 (iii) Computer assisted shopping networks; and

18 (iv) Television, radio or any other electronic media, which is intended to be broadcast to  
19 consumers located in this state.

20 (b) When the tax administrator determines that it is necessary for the proper  
21 administration of chapters 18 and 19 of this title to regard any salespersons, representatives,  
22 truckers, peddlers, or canvassers as the agents of the dealers, distributors, supervisors, employers,  
23 or persons under whom they operate or from whom they obtain the tangible personal property  
24 sold by them, irrespective of whether they are making sales on their own behalf or on behalf of  
25 the dealers, distributors, supervisors, or employers, the tax administrator may so regard them and  
26 may regard the dealers, distributors, supervisors, or employers as retailers for purposes of  
27 chapters 18 and 19 of this title.

28 **44-18-18. Sales tax imposed [effective October 1, 2012].** -- A tax is imposed upon sales  
29 at retail in this state including charges for rentals of living quarters in [hotels as defined in section](#)  
30 [42-63.1-2](#), rooming houses, or tourist camps, at the rate of six percent (6%) of the gross receipts  
31 of the retailer from the sales or rental charges; provided, that the tax imposed on charges for the  
32 rentals applies only to the first period of not exceeding thirty (30) consecutive calendar days of  
33 each rental; provided, further, that for the period commencing July 1, 1990, the tax rate is seven  
34 percent (7%). The tax is paid to the tax administrator by the retailer at the time and in the manner

1 provided. Excluded from this tax are those living quarters in hotels, rooming houses, or tourist  
2 camps for which the occupant has a written lease for the living quarters which lease covers a  
3 rental period of twelve (12) months or more. In recognition of the work being performed by the  
4 Streamlined Sales and Use Tax Governing Board, upon any federal law which requires remote  
5 sellers to collect and remit taxes, effective the first (1st) day of the first (1st) state fiscal quarter  
6 following the change, the rate imposed under § 44-18-18 shall be six and one-half percent (6.5%).

7 **44-18-20. Use tax imposed [effective until October 1, 2012].** -- (a) An excise tax is  
8 imposed on the storage, use, or other consumption in this state of tangible personal property, ~~or~~  
9 prewritten computer software delivered electronically or by load and leave, ~~and/or package tour~~  
10 ~~and scenic and sightseeing transportation services~~, including a motor vehicle, a boat, an airplane,  
11 or a trailer, purchased from any retailer at the rate of six percent (6%) of the sale price of the  
12 property.

13 (b) An excise tax is imposed on the storage, use, or other consumption in this state of a  
14 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle  
15 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent  
16 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

17 (c) The word "trailer" as used in this section and in § 44-18-21 means and includes those  
18 defined in § 31-1-5(a) – (e) and also includes boat trailers, camping trailers, house trailers, and  
19 mobile homes.

20 (d) Notwithstanding the provisions contained in this section and in § 44-18-21 relating to  
21 the imposition of a use tax and liability for this tax on certain casual sales, no tax is payable in  
22 any casual sale:

23 (1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or child  
24 of the transferor or seller;

25 (2) When the transfer or sale is made in connection with the organization, reorganization,  
26 dissolution, or partial liquidation of a business entity; provided:

27 (i) The last taxable sale, transfer, or use of the article being transferred or sold was  
28 subjected to a tax imposed by this chapter;

29 (ii) The transferee is the business entity referred to or is a stockholder, owner, member, or  
30 partner; and

31 (iii) Any gain or loss to the transferor is not recognized for income tax purposes under the  
32 provisions of the federal income tax law and treasury regulations and rulings issued thereunder;

33 (3) When the sale or transfer is of a trailer, other than a camping trailer, of the type  
34 ordinarily used for residential purposes and commonly known as a house trailer or as a mobile

1 home; or

2 (4) When the transferee or purchaser is exempt under the provisions of § 44-18-30 or  
3 other general law of this state or special act of the general assembly of this state.

4 (e) The term "casual" means a sale made by a person other than a retailer; provided, that  
5 in the case of a sale of a motor vehicle, the term means a sale made by a person other than a  
6 licensed motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed  
7 under the provisions of subsections (a) and (b) of this section on the storage, use, or other  
8 consumption in this state of a used motor vehicle less than the product obtained by multiplying  
9 the amount of the retail dollar value at the time of purchase of the motor vehicle by the applicable  
10 tax rate; provided, that where the amount of the sale price exceeds the amount of the retail dollar  
11 value, the tax is based on the sale price. The tax administrator shall use as his or her guide the  
12 retail dollar value as shown in the current issue of any nationally recognized used vehicle guide  
13 for appraisal purposes in this state. On request within thirty (30) days by the taxpayer after  
14 payment of the tax, if the tax administrator determines that the retail dollar value as stated in this  
15 subsection is inequitable or unreasonable, he or she shall, after affording the taxpayer reasonable  
16 opportunity to be heard, re-determine the tax.

17 (f) Every person making more than five (5) retail sales of tangible personal property or  
18 prewritten computer software delivered electronically or by load and leave, ~~and/or package tour~~  
19 ~~and scenic and sightseeing transportation services~~ during any twelve (12) month period, including  
20 sales made in the capacity of assignee for the benefit of creditors or receiver or trustee in  
21 bankruptcy, is considered a retailer within the provisions of this chapter.

22 (g) "Casual sale" includes a sale of tangible personal property not held or used by a seller  
23 in the course of activities for which the seller is required to hold a seller's permit or permits or  
24 would be required to hold a seller's permit or permits if the activities were conducted in this state;  
25 provided, that the sale is not one of a series of sales sufficient in number, scope, and character  
26 (more than five (5) in any twelve (12) month period) to constitute an activity for which the seller  
27 is required to hold a seller's permit or would be required to hold a seller's permit if the activity  
28 were conducted in this state.

29 (2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by  
30 nonprofit organizations, which are organized for charitable, educational, civic, religious, social,  
31 recreational, fraternal, or literary purposes during two (2) events not to exceed a total of six (6)  
32 days duration each calendar year. Each event requires the issuance of a permit by the division of  
33 taxation. Where sales are made at events by a vendor, which holds a sales tax permit and is not a  
34 nonprofit organization, the sales are in the regular course of business and are not exempt as casual



1 sales.

2 (h) The use tax imposed under this section for the period commencing July 1, 1990 is at  
3 the rate of seven percent (7%). In recognition of the work being performed by the Streamlined  
4 Sales and Use Tax Governing Board, upon any federal law which requires remote sellers to  
5 collect and remit taxes, effective the first (1st) day of the first (1st) state fiscal quarter following  
6 the change, the rate imposed under § 44-18-18 shall be six and one-half percent (6.5%).

7 **44-18-20. Use tax imposed [effective October 1, 2012]. --** (a) An excise tax is imposed  
8 on the storage, use, or other consumption in this state of tangible personal property, prewritten  
9 computer software delivered electronically or by load and leave [or services as defined section 44-](#)  
10 [18-7.3](#); including a motor vehicle, a boat, an airplane, or a trailer, purchased from any retailer at  
11 the rate of six percent (6%) of the sale price of the property.

12 (b) An excise tax is imposed on the storage, use, or other consumption in this state of a  
13 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle  
14 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent  
15 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

16 (c) The word "trailer" as used in this section and in § 44-18-21 means and includes those  
17 defined in § 31-1-5(a) – (e) and also includes boat trailers, camping trailers, house trailers, and  
18 mobile homes.

19 (d) Notwithstanding the provisions contained in this section and in § 44-18-21 relating to  
20 the imposition of a use tax and liability for this tax on certain casual sales, no tax is payable in  
21 any casual sale:

22 (1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or child  
23 of the transferor or seller;

24 (2) When the transfer or sale is made in connection with the organization, reorganization,  
25 dissolution, or partial liquidation of a business entity; provided:

26 (i) The last taxable sale, transfer, or use of the article being transferred or sold was  
27 subjected to a tax imposed by this chapter;

28 (ii) The transferee is the business entity referred to or is a stockholder, owner, member, or  
29 partner; and

30 (iii) Any gain or loss to the transferor is not recognized for income tax purposes under the  
31 provisions of the federal income tax law and treasury regulations and rulings issued thereunder;

32 (3) When the sale or transfer is of a trailer, other than a camping trailer, of the type  
33 ordinarily used for residential purposes and commonly known as a house trailer or as a mobile  
34 home; or

1 (4) When the transferee or purchaser is exempt under the provisions of § 44-18-30 or  
2 other general law of this state or special act of the general assembly of this state.

3 (e) The term "casual" means a sale made by a person other than a retailer; provided, that  
4 in the case of a sale of a motor vehicle, the term means a sale made by a person other than a  
5 licensed motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed  
6 under the provisions of subsections (a) and (b) of this section on the storage, use, or other  
7 consumption in this state of a used motor vehicle less than the product obtained by multiplying  
8 the amount of the retail dollar value at the time of purchase of the motor vehicle by the applicable  
9 tax rate; provided, that where the amount of the sale price exceeds the amount of the retail dollar  
10 value, the tax is based on the sale price. The tax administrator shall use as his or her guide the  
11 retail dollar value as shown in the current issue of any nationally recognized used vehicle guide  
12 for appraisal purposes in this state. On request within thirty (30) days by the taxpayer after  
13 payment of the tax, if the tax administrator determines that the retail dollar value as stated in this  
14 subsection is inequitable or unreasonable, he or she shall, after affording the taxpayer reasonable  
15 opportunity to be heard, re-determine the tax.

16 (f) Every person making more than five (5) retail sales of tangible personal property or  
17 prewritten computer software delivered electronically or by load and leave, [or services as defined](#)  
18 [in section 44-18-7.3](#) during any twelve (12) month period, including sales made in the capacity of  
19 assignee for the benefit of creditors or receiver or trustee in bankruptcy, is considered a retailer  
20 within the provisions of this chapter.

21 (g) "Casual sale" includes a sale of tangible personal property not held or used by a seller  
22 in the course of activities for which the seller is required to hold a seller's permit or permits or  
23 would be required to hold a seller's permit or permits if the activities were conducted in this state;  
24 provided, that the sale is not one of a series of sales sufficient in number, scope, and character  
25 (more than five (5) in any twelve (12) month period) to constitute an activity for which the seller  
26 is required to hold a seller's permit or would be required to hold a seller's permit if the activity  
27 were conducted in this state.

28 (2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by  
29 nonprofit organizations, which are organized for charitable, educational, civic, religious, social,  
30 recreational, fraternal, or literary purposes during two (2) events not to exceed a total of six (6)  
31 days duration each calendar year. Each event requires the issuance of a permit by the division of  
32 taxation. Where sales are made at events by a vendor, which holds a sales tax permit and is not a  
33 nonprofit organization, the sales are in the regular course of business and are not exempt as casual  
34 sales.

1 (h) The use tax imposed under this section for the period commencing July 1, 1990 is at  
2 the rate of seven percent (7%). In recognition of the work being performed by the Streamlined  
3 Sales and Use Tax Governing Board, upon any federal law which requires remote sellers to  
4 collect and remit taxes, effective the first (1st) day of the first (1st) state fiscal quarter following  
5 the change, the rate imposed under § 44-18-18 shall be six and one-half percent (6.5%).

6 **44-18-21. Liability for use tax [effective until October 1, 2012].** -- (a) Every person  
7 storing, using, or consuming in this state tangible personal property, including a motor vehicle,  
8 boat, airplane, or trailer, purchased from a retailer, and a motor vehicle, boat, airplane, or trailer,  
9 purchased from other than a licensed motor vehicle dealer or other than a retailer of boats,  
10 airplanes, or trailers respectively; or storing, using or consuming specified prewritten computer  
11 software delivered electronically or by load and leave, ~~and/or package tour and scenic and~~  
12 ~~sightseeing transportation services~~ is liable for the use tax. The person's liability is not  
13 extinguished until the tax has been paid to this state, except that a receipt from a retailer engaging  
14 in business in this state or from a retailer who is authorized by the tax administrator to collect the  
15 tax under rules and regulations that he or she may prescribe, given to the purchaser pursuant to  
16 the provisions of § 44-18-22, is sufficient to relieve the purchaser from further liability for the tax  
17 to which the receipt refers.

18 (b) Each person before obtaining an original or transferral registration for any article or  
19 commodity in this state, which article or commodity is required to be licensed or registered in the  
20 state, shall furnish satisfactory evidence to the tax administrator that any tax due under this  
21 chapter with reference to the article or commodity has been paid, and for the purpose of effecting  
22 compliance, the tax administrator, in addition to any other powers granted to him or her, may  
23 invoke the provisions of § 31-3-4 in the case of a motor vehicle. The tax administrator, when he  
24 or she deems it to be for the convenience of the general public, may authorize any agency of the  
25 state concerned with the licensing or registering of these articles or commodities to collect the use  
26 tax on any articles or commodities which the purchaser is required by this chapter to pay before  
27 receiving an original or transferral registration. The general assembly shall annually appropriate a  
28 sum that it deems necessary to carry out the purposes of this section. Notwithstanding the  
29 provisions of §§ 44-18-19, 44-18-22, and 44-18-24, the sales or use tax on any motor vehicle  
30 and/or recreational vehicle requiring registration by the administrator of the division of motor  
31 vehicles shall not be added by the retailer to the sale price or charge but shall be paid directly by  
32 the purchaser to the tax administrator, or his or her authorized deputy or agent as provided in this  
33 section.

34 (c) In cases involving total loss or destruction of a motor vehicle occurring within one

1 hundred twenty (120) days from the date of purchase and upon which the purchaser has paid the  
2 use tax, the amount of the tax constitutes an overpayment. The amount of the overpayment may  
3 be credited against the amount of use tax on any subsequent vehicle which the owner acquires to  
4 replace the lost or destroyed vehicle or may be refunded, in whole or in part.

5 **44-18-21. Liability for use tax [effective October 1, 2012].** -- (a) Every person storing,  
6 using, or consuming in this state tangible personal property, including a motor vehicle, boat,  
7 airplane, or trailer, purchased from a retailer, and a motor vehicle, boat, airplane, or trailer,  
8 purchased from other than a licensed motor vehicle dealer or other than a retailer of boats,  
9 airplanes, or trailers respectively; or storing, using or consuming specified prewritten computer  
10 software delivered electronically or by load and leave, [or services as defined in section 44-18-7.3](#)  
11 is liable for the use tax. The person's liability is not extinguished until the tax has been paid to  
12 this state, except that a receipt from a retailer engaging in business in this state or from a retailer  
13 who is authorized by the tax administrator to collect the tax under rules and regulations that he or  
14 she may prescribe, given to the purchaser pursuant to the provisions of § 44-18-22, is sufficient to  
15 relieve the purchaser from further liability for the tax to which the receipt refers.

16 (b) Each person before obtaining an original or transferral registration for any article or  
17 commodity in this state, which article or commodity is required to be licensed or registered in the  
18 state, shall furnish satisfactory evidence to the tax administrator that any tax due under this  
19 chapter with reference to the article or commodity has been paid, and for the purpose of effecting  
20 compliance, the tax administrator, in addition to any other powers granted to him or her, may  
21 invoke the provisions of § 31-3-4 in the case of a motor vehicle. The tax administrator, when he  
22 or she deems it to be for the convenience of the general public, may authorize any agency of the  
23 state concerned with the licensing or registering of these articles or commodities to collect the use  
24 tax on any articles or commodities which the purchaser is required by this chapter to pay before  
25 receiving an original or transferral registration. The general assembly shall annually appropriate a  
26 sum that it deems necessary to carry out the purposes of this section. Notwithstanding the  
27 provisions of §§ 44-18-19, 44-18-22, and 44-18-24, the sales or use tax on any motor vehicle  
28 and/or recreational vehicle requiring registration by the administrator of the division of motor  
29 vehicles shall not be added by the retailer to the sale price or charge but shall be paid directly by  
30 the purchaser to the tax administrator, or his or her authorized deputy or agent as provided in this  
31 section.

32 (c) In cases involving total loss or destruction of a motor vehicle occurring within one  
33 hundred twenty (120) days from the date of purchase and upon which the purchaser has paid the  
34 use tax, the amount of the tax constitutes an overpayment. The amount of the overpayment may

1 be credited against the amount of use tax on any subsequent vehicle which the owner acquires to  
2 replace the lost or destroyed vehicle or may be refunded, in whole or in part.

3 **44-18-22. Collection of use tax by retailer [effective until October 1, 2012].** -- Every  
4 retailer engaging in business in this state and making sales of tangible personal property or  
5 prewritten computer software delivered electronically or by load and leave ~~for storage, use, or~~  
6 ~~other consumption in this state, and/or providing package tour and scenic and sightseeing~~  
7 ~~transportation services,~~ not exempted under this chapter shall, at the time of making the sales, or  
8 if the storage, use, or other consumption of the tangible personal property, prewritten computer  
9 software delivered electronically or by load and leave, ~~and/or providing package tour and scenic~~  
10 ~~and sightseeing transportation services,~~ , is not then taxable under this chapter, at the time the  
11 storage, use, or other consumption becomes taxable, collect the tax from the purchaser and give to  
12 the purchaser a receipt in the manner and form prescribed by the tax administrator.

13 **44-18-22. Collection of use tax by retailer [effective October 1, 2012].** -- Every retailer  
14 engaging in business in this state and making sales of tangible personal property or prewritten  
15 computer software delivered electronically or by load and leave, or services as defined in section  
16 44-18-7.3, for storage, use, or other consumption in this state, not exempted under this chapter  
17 shall, at the time of making the sales, or if the storage, use, or other consumption of the tangible  
18 personal property, prewritten computer software delivered electronically or by load and leave, or  
19 services as defined in section 44-18-7.3, is not then taxable under this chapter, at the time the  
20 storage, use, or other consumption becomes taxable, collect the tax from the purchaser and give to  
21 the purchaser a receipt in the manner and form prescribed by the tax administrator.

22 **44-18-23. "Engaging in business" defined [effective until October 1, 2012].** -- As used  
23 in §§ 44-18-21 and 44-18-22 the term "engaging in business in this state" means the selling or  
24 delivering in this state, or any activity in this state related to the selling or delivering in this state  
25 of tangible personal property, or prewritten computer software delivered electronically or by load  
26 and leave for storage, use, or other consumption in this state ~~, as well as providing package tour~~  
27 ~~and scenic and sightseeing transportation services,~~. This term includes, but is not limited to, the  
28 following acts or methods of transacting business:

29 (1) Maintaining, occupying, or using in this state permanently or temporarily, directly or  
30 indirectly or through a subsidiary, representative, or agent by whatever name called and whether  
31 or not qualified to do business in this state, any office, place of distribution, sales or sample room  
32 or place, warehouse or storage place, or other place of business;

33 (2) Having any subsidiary, representative, agent, salesperson, canvasser, or solicitor  
34 permanently or temporarily, and whether or not the subsidiary, representative, or agent is

1 qualified to do business in this state, operate in this state for the purpose of selling, delivering, or  
2 the taking of orders for any tangible personal property, or prewritten computer software delivered  
3 electronically or by load and leave ~~and/or package tour and scenic and sightseeing transportation~~  
4 ~~services~~;

5 (3) The regular or systematic solicitation of sales of tangible personal property, or  
6 prewritten computer software delivered electronically or by load and leave, ~~and/or package tour~~  
7 ~~and scenic and sightseeing transportation services~~, in this state by means of:

8 (i) Advertising in newspapers, magazines, and other periodicals published in this state,  
9 sold over the counter in this state or sold by subscription to residents of this state, billboards  
10 located in this state, airborne advertising messages produced or transported in the air space above  
11 this state, display cards and posters on common carriers or any other means of public conveyance  
12 incorporated or operating primarily in this state, brochures, catalogs, circulars, coupons,  
13 pamphlets, samples, and similar advertising material mailed to, or distributed within this state to  
14 residents of this state;

15 (ii) Telephone;

16 (iii) Computer-assisted shopping networks; and

17 (iv) Television, radio or any other electronic media, which is intended to be broadcast to  
18 consumers located in this state.

19 **44-18-23. "Engaging in business" defined [effective October 1, 2012].** -- As used in §§  
20 44-18-21 and 44-18-22 the term "engaging in business in this state" means the selling or  
21 delivering in this state, or any activity in this state related to the selling or delivering in this state  
22 of tangible personal property, or prewritten computer software delivered electronically or by load  
23 and leave for storage, use, or other consumption in this state; [or services as defined in section 44-](#)  
24 [18-7.3 in this state](#). This term includes, but is not limited to, the following acts or methods of  
25 transacting business:

26 (1) Maintaining, occupying, or using in this state permanently or temporarily, directly or  
27 indirectly or through a subsidiary, representative, or agent by whatever name called and whether  
28 or not qualified to do business in this state, any office, place of distribution, sales or sample room  
29 or place, warehouse or storage place, or other place of business;

30 (2) Having any subsidiary, representative, agent, salesperson, canvasser, or solicitor  
31 permanently or temporarily, and whether or not the subsidiary, representative, or agent is  
32 qualified to do business in this state, operate in this state for the purpose of selling, delivering, or  
33 the taking of orders for any tangible personal property, or prewritten computer software delivered  
34 electronically or by load and leave, [or services as defined in section 44-18-7.3](#);

1 (3) The regular or systematic solicitation of sales of tangible personal property, or  
2 prewritten computer software delivered electronically or by load and leave, [or services as defined](#)  
3 [in section 44-18-7.3](#), in this state by means of:

4 (i) Advertising in newspapers, magazines, and other periodicals published in this state,  
5 sold over the counter in this state or sold by subscription to residents of this state, billboards  
6 located in this state, airborne advertising messages produced or transported in the air space above  
7 this state, display cards and posters on common carriers or any other means of public conveyance  
8 incorporated or operating primarily in this state, brochures, catalogs, circulars, coupons,  
9 pamphlets, samples, and similar advertising material mailed to, or distributed within this state to  
10 residents of this state;

11 (ii) Telephone;

12 (iii) Computer-assisted shopping networks; and

13 (iv) Television, radio or any other electronic media, which is intended to be broadcast to  
14 consumers located in this state.

15 **44-18-25. Presumption that sale is for storage, use, or consumption – Resale**  
16 **certificate [effective until October 1, 2012]. --** It is presumed that all gross receipts are subject  
17 to the sales tax, and that the use of all tangible personal property, or prewritten computer software  
18 delivered electronically or by load and leave, ~~and/or package tour and scenic and sightseeing~~  
19 ~~transportation services~~ are subject to the use tax, and that all tangible personal property, or  
20 prewritten computer software delivered electronically or by load and leave, ~~and/or package tour~~  
21 ~~and scenic and sightseeing transportation services~~ sold or in processing or intended for delivery or  
22 delivered in this state is sold or delivered for storage, use, or other consumption in this state, until  
23 the contrary is established to the satisfaction of the tax administrator. The burden of proving the  
24 contrary is upon the person who makes the sale and the purchaser, unless the person who makes  
25 the sale takes from the purchaser a certificate to the effect that the purchase was for resale. The  
26 certificate shall contain any information and be in the form that the tax administrator may require.

27 **44-18-25. Presumption that sale is for storage, use, or consumption – Resale**  
28 **certificate [effective October 1, 2012]. --** It is presumed that all gross receipts are subject to the  
29 sales tax, and that the use of all tangible personal property, or prewritten computer software  
30 delivered electronically or by load and leave, [or services as defined in section 44-18-7.3](#), are  
31 subject to the use tax, and that all tangible personal property, or prewritten computer software  
32 delivered electronically or by load and leave, [or services as defined in section 44-18-7.3](#), sold or  
33 in processing or intended for delivery or delivered in this state is sold or delivered for storage,  
34 use, or other consumption in this state, until the contrary is established to the satisfaction of the

1 tax administrator. The burden of proving the contrary is upon the person who makes the sale and  
2 the purchaser, unless the person who makes the sale takes from the purchaser a certificate to the  
3 effect that the purchase was for resale. The certificate shall contain any information and be in the  
4 form that the tax administrator may require.

5 **44-18-30. Gross receipts exempt from sales and use taxes.** -- There are exempted from  
6 the taxes imposed by this chapter the following gross receipts:

7 (1) *Sales and uses beyond constitutional power of state.* From the sale and from the  
8 storage, use, or other consumption in this state of tangible personal property the gross receipts  
9 from the sale of which, or the storage, use, or other consumption of which, this state is prohibited  
10 from taxing under the Constitution of the United States or under the constitution of this state.

11 (2) *Newspapers.*

12 (i) From the sale and from the storage, use, or other consumption in this state of any  
13 newspaper.

14 (ii) "Newspaper" means an unbound publication printed on newsprint, which contains  
15 news, editorial comment, opinions, features, advertising matter, and other matters of public  
16 interest.

17 (iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or  
18 similar item unless the item is printed for and distributed as a part of a newspaper.

19 (3) *School meals.* From the sale and from the storage, use, or other consumption in this  
20 state of meals served by public, private, or parochial schools, school districts, colleges,  
21 universities, student organizations, and parent teacher associations to the students or teachers of a  
22 school, college, or university whether the meals are served by the educational institutions or by a  
23 food service or management entity under contract to the educational institutions.

24 (4) *Containers.*

25 (i) From the sale and from the storage, use, or other consumption in this state of:

26 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials  
27 which are biodegradable and all bags and wrapping materials utilized in the medical and healing  
28 arts, when sold without the contents to persons who place the contents in the container and sell  
29 the contents with the container.

30 (B) Containers when sold with the contents if the sale price of the contents is not required  
31 to be included in the measure of the taxes imposed by this chapter.

32 (C) Returnable containers when sold with the contents in connection with a retail sale of  
33 the contents or when resold for refilling.

34 (ii) As used in this subdivision, the term "returnable containers" means containers of a



1 kind customarily returned by the buyer of the contents for reuse. All other containers are "non-  
2 returnable containers."

3 (5) *Charitable, educational, and religious organizations.* From the sale to as in defined  
4 in this section, and from the storage, use, and other consumption in this state or any other state of  
5 the United States of America of tangible personal property by hospitals not operated for a profit,  
6 "educational institutions" as defined in subdivision (18) not operated for a profit, churches,  
7 orphanages, and other institutions or organizations operated exclusively for religious or charitable  
8 purposes, interest free loan associations not operated for profit, nonprofit organized sporting  
9 leagues and associations and bands for boys and girls under the age of nineteen (19) years, the  
10 following vocational student organizations that are state chapters of national vocational students  
11 organizations: Distributive Education Clubs of America, (DECA); Future Business Leaders of  
12 America, phi beta lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers  
13 of America/Home Economics Related Occupations (FHA/HERD); and Vocational Industrial  
14 Clubs of America (VICA), organized nonprofit golden age and senior citizens clubs for men and  
15 women, and parent teacher associations.

16 (ii) In the case of contracts entered into with the federal government, its agencies or  
17 instrumentalities, this state or any other state of the United States of America, its agencies, any  
18 city, town, district, or other political subdivision of the states, hospitals not operated for profit,  
19 educational institutions not operated for profit, churches, orphanages, and other institutions or  
20 organizations operated exclusively for religious or charitable purposes, the contractor may  
21 purchase such materials and supplies (materials and/or supplies are defined as those which are  
22 essential to the project) that are to be utilized in the construction of the projects being performed  
23 under the contracts without payment of the tax.

24 (iii) The contractor shall not charge any sales or use tax to any exempt agency,  
25 institution, or organization but shall in that instance provide his or her suppliers with certificates  
26 in the form as determined by the division of taxation showing the reason for exemption; and the  
27 contractor's records must substantiate the claim for exemption by showing the disposition of all  
28 property so purchased. If any property is then used for a nonexempt purpose, the contractor must  
29 pay the tax on the property used.

30 (6) *Gasoline.* From the sale and from the storage, use, or other consumption in this state  
31 of: (i) gasoline and other products taxed under chapter 36 of title 31, and (ii) fuels used for the  
32 propulsion of airplanes.

33 (7) *Purchase for manufacturing purposes.*

34 (i) From the sale and from the storage, use, or other consumption in this state of computer

1 software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration,  
2 and water, when the property or service is purchased for the purpose of being manufactured into a  
3 finished product for resale, and becomes an ingredient, component, or integral part of the  
4 manufactured, compounded, processed, assembled, or prepared product, or if the property or  
5 service is consumed in the process of manufacturing for resale computer software, tangible  
6 personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

7 (ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the  
8 property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

9 (iii) "Consumed" includes mere obsolescence.

10 (iv) "Manufacturing" means and includes manufacturing, compounding, processing,  
11 assembling, preparing, or producing.

12 (v) "Process of manufacturing" means and includes all production operations performed  
13 in the producing or processing room, shop, or plant, insofar as the operations are a part of and  
14 connected with the manufacturing for resale of tangible personal property, electricity, natural gas,  
15 artificial gas, steam, refrigeration, or water and all production operations performed insofar as the  
16 operations are a part of and connected with the manufacturing for resale of computer software.

17 (vi) "Process of manufacturing" does not mean or include administration operations such  
18 as general office operations, accounting, collection, sales promotion, nor does it mean or include  
19 distribution operations which occur subsequent to production operations, such as handling,  
20 storing, selling, and transporting the manufactured products, even though the administration and  
21 distribution operations are performed by or in connection with a manufacturing business.

22 (8) *State and political subdivisions.* From the sale to, and from the storage, use, or other  
23 consumption by, this state, any city, town, district, or other political subdivision of this state.  
24 Every redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a  
25 subdivision of the municipality where it is located.

26 (9) *Food and food ingredients.* From the sale and storage, use, or other consumption in  
27 this state of food and food ingredients as defined in § 44-18-7.1(1).

28 For the purposes of this exemption "food and food ingredients" shall not include candy,  
29 soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending  
30 machines or prepared food (as those terms are defined in § 44-18-7.1, unless the prepared food is:

31 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,  
32 except sub-sector 3118 (bakeries);

33 (ii) Sold in an unheated state by weight or volume as a single item;

34 (iii) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries,

1 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and is not sold with  
2 utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or  
3 straws.

4 (10) *Medicines, drugs and durable medical equipment.* From the sale and from the  
5 storage, use, or other consumption in this state, of;

6 (i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and  
7 insulin whether or not sold on prescription. For purposes of this exemption, drugs shall not  
8 include over the counter drugs, and grooming and hygiene products as defined in § 44-18-  
9 7.1(h)(iii).

10 (ii) Durable medical equipment as defined in section 44-18-7.1(k) for home use only,  
11 including, but not limited to, syringe infusers, ambulatory drug delivery pumps, hospital beds,  
12 convalescent chairs, and chair lifts. Supplies used in connection with syringe infusers and  
13 ambulatory drug delivery pumps which are sold on prescription to individuals to be used by them  
14 to dispense or administer prescription drugs, and related ancillary dressings and supplies used to  
15 dispense or administer prescription drugs shall also be exempt from tax.

16 (11) *Prosthetic devices and mobility enhancing equipment.* From the sale and from the  
17 storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t),  
18 sold on prescription, including but not limited to, artificial limbs, dentures, spectacles and  
19 eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on  
20 prescription and mobility enhancing equipment as defined in § 44-18-7.1(p) including  
21 wheelchairs, crutches and canes.

22 (12) *Coffins, caskets, and burial garments.* From the sale and from the storage, use, or  
23 other consumption in this state of coffins or caskets, and shrouds or other burial garments which  
24 are ordinarily sold by a funeral director as part of the business of funeral directing.

25 (13) *Motor vehicles sold to nonresidents.*

26 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide  
27 nonresident of this state who does not register the motor vehicle in this state, whether the sale or  
28 delivery of the motor vehicle is made in this state or at the place of residence of the nonresident.  
29 A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like  
30 exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20. In that event  
31 the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that  
32 would be imposed in his or her state of residence not to exceed the rate that would have been  
33 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed motor vehicle  
34 dealer shall add and collect the tax required under this subdivision and remit the tax to the tax

1 administrator under the provisions of chapters 18 and 19 of this title. When a Rhode Island  
2 licensed motor vehicle dealer is required to add and collect the sales and use tax on the sale of a  
3 motor vehicle to a bona fide nonresident as provided in this section, the dealer in computing the  
4 tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of  
5 motor vehicles.

6 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
7 require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents as the  
8 tax administrator deems reasonably necessary to substantiate the exemption provided in this  
9 subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of the  
10 motor vehicle was the holder of, and had in his or her possession a valid out of state motor  
11 vehicle registration or a valid out of state driver's license.

12 (iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days of  
13 the date of its sale to him or her is deemed to have purchased the motor vehicle for use, storage,  
14 or other consumption in this state, and is subject to, and liable for the use tax imposed under the  
15 provisions of § 44-18-20.

16 (14) *Sales in public buildings by blind people.* From the sale and from the storage, use,  
17 or other consumption in all public buildings in this state of all products or wares by any person  
18 licensed under § 40-9-11.1.

19 (15) *Air and water pollution control facilities.* From the sale, storage, use, or other  
20 consumption in this state of tangible personal property or supplies acquired for incorporation into  
21 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the  
22 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12  
23 of title 46 and chapter 25 of title 23, respectively, and which has been certified as approved for  
24 that purpose by the director of environmental management. The director of environmental  
25 management may certify to a portion of the tangible personal property or supplies acquired for  
26 incorporation into those facilities or used and consumed in the operation of those facilities to the  
27 extent that that portion has as its primary purpose the control of the pollution or contamination of  
28 the waters or air of this state. As used in this subdivision, "facility" means any land, facility,  
29 device, building, machinery, or equipment.

30 (16) *Camps.* From the rental charged for living quarters, or sleeping or housekeeping  
31 accommodations at camps or retreat houses operated by religious, charitable, educational, or  
32 other organizations and associations mentioned in subdivision (5), or by privately owned and  
33 operated summer camps for children.

34 (17) *Certain institutions.* From the rental charged for living or sleeping quarters in an

1 institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

2           (18) *Educational institutions.* From the rental charged by any educational institution for  
3 living quarters, or sleeping or housekeeping accommodations or other rooms or accommodations  
4 to any student or teacher necessitated by attendance at an educational institution. "Educational  
5 institution" as used in this section means an institution of learning not operated for profit which is  
6 empowered to confer diplomas, educational, literary, or academic degrees, which has a regular  
7 faculty, curriculum, and organized body of pupils or students in attendance throughout the usual  
8 school year, which keeps and furnishes to students and others records required and accepted for  
9 entrance to schools of secondary, collegiate, or graduate rank, no part of the net earnings of which  
10 inures to the benefit of any individual.

11           (19) *Motor vehicle and adaptive equipment for persons with disabilities.*

12           (i) From the sale of: (A) special adaptations, (B) the component parts of the special  
13 adaptations, or (C) a specially adapted motor vehicle; provided, that the owner furnishes to the  
14 tax administrator an affidavit of a licensed physician to the effect that the specially adapted motor  
15 vehicle is necessary to transport a family member with a disability or where the vehicle has been  
16 specially adapted to meet the specific needs of the person with a disability. This exemption  
17 applies to not more than one motor vehicle owned and registered for personal, noncommercial  
18 use.

19           (ii) For the purpose of this subsection the term "special adaptations" includes, but is not  
20 limited to: wheelchair lifts; wheelchair carriers; wheelchair ramps; wheelchair securements; hand  
21 controls; steering devices; extensions, relocations, and crossovers of operator controls; power-  
22 assisted controls; raised tops or dropped floors; raised entry doors; or alternative signaling  
23 devices to auditory signals.

24           (iii) From the sale of: (a) special adaptations, (b) the component parts of the special  
25 adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1 and/or a "wheelchair  
26 accessible public motor vehicle" as defined in § 39-14.1-1.

27           (iv) For the purpose of this subdivision the exemption for a "specially adapted motor  
28 vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due  
29 on the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the  
30 special adaptations, including installation.

31           (20) *Heating fuels.* From the sale and from the storage, use, or other consumption in this  
32 state of every type of fuel used in the heating of homes and residential premises.

33           (21) *Electricity and gas.* From the sale and from the storage, use, or other consumption  
34 in this state of electricity and gas furnished for domestic use by occupants of residential premises.

1           (22) *Manufacturing machinery and equipment.*

2           (i) From the sale and from the storage, use, or other consumption in this state of tools,  
3 dies, and molds, and machinery and equipment (including replacement parts), and related items to  
4 the extent used in an industrial plant in connection with the actual manufacture, conversion, or  
5 processing of tangible personal property, or to the extent used in connection with the actual  
6 manufacture, conversion or processing of computer software as that term is utilized in industry  
7 numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the  
8 technical committee on industrial classification, office of statistical standards, executive office of  
9 the president, United States bureau of the budget, as revised from time to time, to be sold, or that  
10 machinery and equipment used in the furnishing of power to an industrial manufacturing plant.  
11 For the purposes of this subdivision, "industrial plant" means a factory at a fixed location  
12 primarily engaged in the manufacture, conversion, or processing of tangible personal property to  
13 be sold in the regular course of business;

14           (ii) Machinery and equipment and related items are not deemed to be used in connection  
15 with the actual manufacture, conversion, or processing of tangible personal property, or in  
16 connection with the actual manufacture, conversion or processing of computer software as that  
17 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification  
18 manual prepared by the technical committee on industrial classification, office of statistical  
19 standards, executive office of the president, United States bureau of the budget, as revised from  
20 time to time, to be sold to the extent the property is used in administration or distribution  
21 operations;

22           (iii) Machinery and equipment and related items used in connection with the actual  
23 manufacture, conversion, or processing of any computer software or any tangible personal  
24 property which is not to be sold and which would be exempt under subdivision (7) or this  
25 subdivision if purchased from a vendor or machinery and equipment and related items used  
26 during any manufacturing, converting or processing function is exempt under this subdivision  
27 even if that operation, function, or purpose is not an integral or essential part of a continuous  
28 production flow or manufacturing process;

29           (iv) Where a portion of a group of portable or mobile machinery is used in connection  
30 with the actual manufacture, conversion, or processing of computer software or tangible personal  
31 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under  
32 this subdivision even though the machinery in that group is used interchangeably and not  
33 otherwise identifiable as to use.

34           (23) *Trade-in value of motor vehicles.* From the sale and from the storage, use, or other

1 consumption in this state of so much of the purchase price paid for a new or used automobile as is  
2 allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of  
3 the proceeds applicable only to the automobile as are received from the manufacturer of  
4 automobiles for the repurchase of the automobile whether the repurchase was voluntary or not  
5 towards the purchase of a new or used automobile by the buyer. For the purpose of this  
6 subdivision, the word "automobile" means a private passenger automobile not used for hire and  
7 does not refer to any other type of motor vehicle.

8 (24) *Precious metal bullion.* (i) From the sale and from the storage, use, or other  
9 consumption in this state of precious metal bullion, substantially equivalent to a transaction in  
10 securities or commodities.

11 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary  
12 precious metal which has been put through a process of smelting or refining, including, but not  
13 limited to, gold, silver, platinum, rhodium, and chromium, and which is in a state or condition  
14 that its value depends upon its content and not upon its form.

15 (iii) The term does not include fabricated precious metal which has been processed or  
16 manufactured for some one or more specific and customary industrial, professional, or artistic  
17 uses.

18 (25) *Commercial vessels.* From sales made to a commercial ship, barge, or other vessel  
19 of fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from  
20 the repair, alteration, or conversion of the vessels, and from the sale of property purchased for the  
21 use of the vessels including provisions, supplies, and material for the maintenance and/or repair  
22 of the vessels.

23 (26) *Commercial fishing vessels.* From the sale and from the storage, use, or other  
24 consumption in this state of vessels and other water craft which are in excess of five (5) net tons  
25 and which are used exclusively for "commercial fishing", as defined in this subdivision, and from  
26 the repair, alteration, or conversion of those vessels and other watercraft, and from the sale of  
27 property purchased for the use of those vessels and other watercraft including provisions,  
28 supplies, and material for the maintenance and/or repair of the vessels and other watercraft and  
29 the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection  
30 with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means the  
31 taking or the attempting to take any fish, shellfish, crustacea, or bait species with the intent of  
32 disposing of them for profit or by sale, barter, trade, or in commercial channels. The term does  
33 not include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport  
34 fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat

1 license issued by the department of environmental management pursuant to § 20-2-27.1 which  
2 meet the following criteria: (i) the operator must have a current U.S.C.G. license to carry  
3 passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)  
4 U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island  
5 boat registration to prove Rhode Island home port status; (iv) the vessel must be used as a  
6 commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be  
7 able to demonstrate that at least fifty percent (50%) of its annual gross income derives from  
8 charters or provides documentation of a minimum of one hundred (100) charter trips annually; (v)  
9 the vessel must have a valid Rhode Island party and charter boat license. The tax administrator  
10 shall implement the provisions of this subdivision by promulgating rules and regulations relating  
11 thereto.

12 (27) *Clothing and footwear.* From the sales of articles of clothing, including footwear,  
13 intended to be worn or carried on or about the human body [for sales prior to October 1, 2012.](#)  
14 [Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including](#)  
15 [footwear, intended to be worn or carried on or about the human body up to two hundred and fifty](#)  
16 [dollars \(\\$250\) of the sales price per item.](#) For the purposes of this section, "clothing or footwear"  
17 does not include clothing accessories or equipment or special clothing or footwear primarily  
18 designed for athletic activity or protective use as these terms are defined in § 44-18-7.1(f). [In](#)  
19 [recognition of the work being performed by the Streamlined Sales and Use Tax Governing Board,](#)  
20 [upon any federal law which requires remote sellers to collect and remit taxes, effective the first](#)  
21 [\(1st\) day of the first \(1st\) state fiscal quarter following the change, this exemption will apply as it](#)  
22 [did prior to October 1, 2012.](#)

23 (28) *Water for residential use.* From the sale and from the storage, use, or other  
24 consumption in this state of water furnished for domestic use by occupants of residential  
25 premises.

26 (29) *Bibles.* [Unconstitutional; see Ahlburn v. Clark, 728 A.2d 449 (R.I. 1999); see  
27 Notes to Decisions.] From the sale and from the storage, use, or other consumption in the state of  
28 any canonized scriptures of any tax-exempt nonprofit religious organization including, but not  
29 limited to, the Old Testament and the New Testament versions.

30 (30) *Boats.*

31 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not  
32 register the boat or vessel in this state, or document the boat or vessel with the United States  
33 government at a home port within the state, whether the sale or delivery of the boat or vessel is  
34 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty



1 (30) days after delivery by the seller outside the state for use thereafter solely outside the state.

2 (ii) The tax administrator, in addition to the provisions of §§ 44-19-17 and 44-19-28, may  
3 require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the  
4 tax administrator deems reasonably necessary to substantiate the exemption provided in this  
5 subdivision, including the affidavit of the seller that the buyer represented himself or herself to be  
6 a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

7 (31) *Youth activities equipment.* From the sale, storage, use, or other consumption in this  
8 state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island  
9 eleemosynary organizations, for the purposes of youth activities which the organization is formed  
10 to sponsor and support; and by accredited elementary and secondary schools for the purposes of  
11 the schools or of organized activities of the enrolled students.

12 (32) *Farm equipment.* From the sale and from the storage or use of machinery and  
13 equipment used directly for commercial farming and agricultural production; including, but not  
14 limited to, tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,  
15 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,  
16 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and  
17 other farming equipment, including replacement parts, appurtenant to or used in connection with  
18 commercial farming and tools and supplies used in the repair and maintenance of farming  
19 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or  
20 the production within this state of agricultural products, including, but not limited to, field or  
21 orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or  
22 production provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to  
23 the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued  
24 prior to July 1, 2002; for exemptions issued or renewed after July 1, 2002, there shall be two (2)  
25 levels. Level I shall be based on proof of annual gross sales from commercial farming of at least  
26 twenty-five hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption  
27 provided in this subdivision except for motor vehicles with an excise tax value of five thousand  
28 dollars (\$5,000) or greater; Level II shall be based on proof of annual gross sales from  
29 commercial farming of at least ten thousand dollars (\$10,000) or greater and shall be valid for  
30 purchases subject to the exemption provided in this subdivision including motor vehicles with an  
31 excise tax value of five thousand dollars (\$5,000) or greater. For the initial issuance of the  
32 exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be  
33 required for the prior year; for any renewal of an exemption granted in accordance with this  
34 subdivision at either Level I or Level II, proof of gross annual sales from commercial farming at

1 the requisite amount shall be required for each of the prior two (2) years. Certificates of  
2 exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption  
3 and be valid for four (4) years after the date of issue. This exemption applies even if the same  
4 equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-  
5 agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the  
6 vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for registration displaying  
7 farm plates as provided for in § 31-3-31.

8 (33) *Compressed air.* From the sale and from the storage, use, or other consumption in  
9 the state of compressed air.

10 (34) *Flags.* From the sale and from the storage, consumption, or other use in this state of  
11 United States, Rhode Island or POW-MIA flags.

12 (35) *Motor vehicle and adaptive equipment to certain veterans.* From the sale of a motor  
13 vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or  
14 the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether  
15 service connected or not. The motor vehicle must be purchased by and especially equipped for  
16 use by the qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under  
17 rules or regulations that the tax administrator may prescribe.

18 (36) *Textbooks.* From the sale and from the storage, use, or other consumption in this  
19 state of textbooks by an "educational institution" as defined in subdivision (18) of this section and  
20 as well as any educational institution within the purview of § 16-63-9(4) and used textbooks by  
21 any purveyor.

22 (37) *Tangible personal property and supplies used in on-site hazardous waste recycling,*  
23 *reuse, or treatment.* From the sale, storage, use, or other consumption in this state of tangible  
24 personal property or supplies used or consumed in the operation of equipment, the exclusive  
25 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as  
26 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as  
27 defined in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the  
28 same taxpayer and where the personal property is located at, in, or adjacent to a generating  
29 facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the director of  
30 the department of environmental management certifying that the equipment and/or supplies as  
31 used, or consumed, qualify for the exemption under this subdivision. If any information relating  
32 to secret processes or methods of manufacture, production, or treatment is disclosed to the  
33 department of environmental management only to procure an order, and is a "trade secret" as  
34 defined in § 28-21-10(b), it is not open to public inspection or publicly disclosed unless

1 disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

2 (38) *Promotional and product literature of boat manufacturers.* From the sale and from  
3 the storage, use, or other consumption of promotional and product literature of boat  
4 manufacturers shipped to points outside of Rhode Island which either: (i) accompany the product  
5 which is sold, (ii) are shipped in bulk to out of state dealers for use in the sale of the product, or  
6 (iii) are mailed to customers at no charge.

7 (39) *Food items paid for by food stamps.* From the sale and from the storage, use, or  
8 other consumption in this state of eligible food items payment for which is properly made to the  
9 retailer in the form of U.S. government food stamps issued in accordance with the Food Stamp  
10 Act of 1977, 7 U.S.C. § 2011 et seq.

11 (40) *Transportation charges.* From the sale or hiring of motor carriers as defined in § 39-  
12 12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed  
13 with the Rhode Island public utilities commission on the number of miles driven or by the  
14 number of hours spent on the job.

15 (41) *Trade-in value of boats.* From the sale and from the storage, use, or other  
16 consumption in this state of so much of the purchase price paid for a new or used boat as is  
17 allocated for a trade-in allowance on the boat of the buyer given in trade to the seller or of the  
18 proceeds applicable only to the boat as are received from an insurance claim as a result of a stolen  
19 or damaged boat, towards the purchase of a new or used boat by the buyer.

20 (42) *Equipment used for research and development.* From the sale and from the storage,  
21 use, or other consumption of equipment to the extent used for research and development purposes  
22 by a qualifying firm. For the purposes of this subdivision, "qualifying firm" means a business for  
23 which the use of research and development equipment is an integral part of its operation, and  
24 "equipment" means scientific equipment, computers, software, and related items.

25 (43) *Coins.* From the sale and from the other consumption in this state of coins having  
26 numismatic or investment value.

27 (44) *Farm structure construction materials.* Lumber, hardware and other materials used  
28 in the new construction of farm structures, including production facilities such as, but not limited  
29 to, farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying  
30 houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing  
31 rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and  
32 trench silos, feed storage sheds, and any other structures used in connection with commercial  
33 farming.

34 (45) *Telecommunications carrier access service.* Carrier access service or

1 telecommunications service when purchased by a telecommunications company from another  
2 telecommunications company to facilitate the provision of telecommunications service.

3       (46) *Boats or vessels brought into the state exclusively for winter storage, maintenance,*  
4 *repair or sale.* Notwithstanding the provisions of §§ 44-18-10, 44-18-11, 44-18-20, the tax  
5 imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in  
6 any year to and including the 30th day of April next succeeding with respect to the use of any  
7 boat or vessel within this state exclusively for purposes of: (i) delivery of the vessel to a facility in  
8 this state for storage, including dry storage and storage in water by means of apparatus preventing  
9 ice damage to the hull, maintenance, or repair; (ii) the actual process of storage, maintenance, or  
10 repair of the boat or vessel; or (iii) storage for the purpose of selling the boat or vessel.

11       (47) *Jewelry display product.* From the sale and from the storage, use, or other  
12 consumption in this state of tangible personal property used to display any jewelry product;  
13 provided, that title to the jewelry display product is transferred by the jewelry manufacturer or  
14 seller and that the jewelry display product is shipped out of state for use solely outside the state  
15 and is not returned to the jewelry manufacturer or seller.

16       (48) *Boats or vessels generally.* Notwithstanding the provisions of this chapter, the tax  
17 imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage,  
18 use, or other consumption in this state of any new or used boat. The exemption provided for in  
19 this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal  
20 ten percent (10%) surcharge on luxury boats is repealed.

21       (49) *Banks and Regulated investment companies interstate toll-free calls.*  
22 Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to  
23 the furnishing of interstate and international, toll-free terminating telecommunication service that  
24 is used directly and exclusively by or for the benefit of an eligible company as defined in this  
25 subdivision; provided, that an eligible company employs on average during the calendar year no  
26 less than five hundred (500) "full-time equivalent employees", as that term is defined in § 42-  
27 64.5-2. For purposes of this section, an "eligible company" means a "regulated investment  
28 company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 1 et seq., or a  
29 corporation to the extent the service is provided, directly or indirectly, to or on behalf of a  
30 regulated investment company, an employee benefit plan, a retirement plan or a pension plan or a  
31 state chartered bank.

32       (50) *Mobile and manufactured homes generally.* From the sale and from the storage, use,  
33 or other consumption in this state of mobile and/or manufactured homes as defined and subject to  
34 taxation pursuant to the provisions of chapter 44 of title 31.

1           (51) *Manufacturing business reconstruction materials.*

2           (i) From the sale and from the storage, use or other consumption in this state of lumber,  
3 hardware, and other building materials used in the reconstruction of a manufacturing business  
4 facility which suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any  
5 occurrence, natural or otherwise, which results in the destruction of sixty percent (60%) or more  
6 of an operating manufacturing business facility within this state. "Disaster" does not include any  
7 damage resulting from the willful act of the owner of the manufacturing business facility.

8           (ii) Manufacturing business facility includes, but is not limited to, the structures housing  
9 the production and administrative facilities.

10          (iii) In the event a manufacturer has more than one manufacturing site in this state, the  
11 sixty percent (60%) provision applies to the damages suffered at that one site.

12          (iv) To the extent that the costs of the reconstruction materials are reimbursed by  
13 insurance, this exemption does not apply.

14           (52) *Tangible personal property and supplies used in the processing or preparation of*  
15 *floral products and floral arrangements.* From the sale, storage, use, or other consumption in this  
16 state of tangible personal property or supplies purchased by florists, garden centers, or other like  
17 producers or vendors of flowers, plants, floral products, and natural and artificial floral  
18 arrangements which are ultimately sold with flowers, plants, floral products, and natural and  
19 artificial floral arrangements or are otherwise used in the decoration, fabrication, creation,  
20 processing, or preparation of flowers, plants, floral products, or natural and artificial floral  
21 arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral  
22 product or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower  
23 food, insecticide and fertilizers.

24           (53) *Horse food products.* From the sale and from the storage, use, or other consumption  
25 in this state of horse food products purchased by a person engaged in the business of the boarding  
26 of horses.

27           (54) *Non-motorized recreational vehicles sold to nonresidents.*

28          (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to  
29 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle  
30 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this  
31 state or at the place of residence of the nonresident; provided, that a non-motorized recreational  
32 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption  
33 to its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in  
34 that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the

1 rate that would be imposed in his or her state of residence not to exceed the rate that would have  
2 been imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed non-  
3 motorized recreational vehicle dealer shall add and collect the tax required under this subdivision  
4 and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title.  
5 Provided, that when a Rhode Island licensed non-motorized recreational vehicle dealer is required  
6 to add and collect the sales and use tax on the sale of a non-motorized recreational vehicle to a  
7 bona fide nonresident as provided in this section, the dealer in computing the tax takes into  
8 consideration the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

9 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
10 require any licensed non-motorized recreational vehicle dealer to keep records of sales to bona  
11 fide nonresidents as the tax administrator deems reasonably necessary to substantiate the  
12 exemption provided in this subdivision, including the affidavit of a licensed non-motorized  
13 recreational vehicle dealer that the purchaser of the non-motorized recreational vehicle was the  
14 holder of, and had in his or her possession a valid out-of-state non-motorized recreational vehicle  
15 registration or a valid out-of-state driver's license.

16 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state  
17 within ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-  
18 motorized recreational vehicle for use, storage, or other consumption in this state, and is subject  
19 to, and liable for the use tax imposed under the provisions of § 44-18-20.

20 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and  
21 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use  
22 which is eligible to be registered for highway use, including, but not limited to, "pick-up coaches"  
23 or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1  
24 of title 31.

25 (55) *Sprinkler and fire alarm systems in existing buildings.* From the sale in this state of  
26 sprinkler and fire alarm systems, emergency lighting and alarm systems, and from the sale of the  
27 materials necessary and attendant to the installation of those systems, that are required in  
28 buildings and occupancies existing therein in July 2003, in order to comply with any additional  
29 requirements for such buildings arising directly from the enactment of the Comprehensive Fire  
30 Safety Act of 2003, and that are not required by any other provision of law or ordinance or  
31 regulation adopted pursuant to that Act. The exemption provided in this subdivision shall expire  
32 on December 31, 2008.

33 (56) *Aircraft.* Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-  
34 18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other

1 consumption in this state of any new or used aircraft or aircraft parts.

2           (57) *Renewable energy products.* Notwithstanding any other provisions of Rhode Island  
3 general laws the following products shall also be exempt from sales tax: solar photovoltaic  
4 modules or panels, or any module or panel that generates electricity from light; solar thermal  
5 collectors, including, but not limited to, those manufactured with flat glass plates, extruded  
6 plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-  
7 water and water-to-air type pumps; wind turbines; towers used to mount wind turbines if  
8 specified by or sold by a wind turbine manufacturer; DC to AC inverters that interconnect with  
9 utility power lines; manufactured mounting racks and ballast pans for solar collector, module or  
10 panel installation. Not to include materials that could be fabricated into such racks; monitoring  
11 and control equipment, if specified or supplied by a manufacturer of solar thermal, solar  
12 photovoltaic, geothermal, or wind energy systems or if required by law or regulation for such  
13 systems but not to include pumps, fans or plumbing or electrical fixtures unless shipped from the  
14 manufacturer affixed to, or an integral part of, another item specified on this list; and solar storage  
15 tanks that are part of a solar domestic hot water system or a solar space heating system. If the tank  
16 comes with an external heat exchanger it shall also be tax exempt, but a standard hot water tank is  
17 not exempt from state sales tax.

18           (58) *Returned property.* The amount charged for property returned by customers upon  
19 rescission of the contract of sale when the entire amount exclusive of handling charges paid for  
20 the property is refunded in either cash or credit, and where the property is returned within one  
21 hundred twenty (120) days from the date of delivery.

22           (59) *Dietary Supplements.* From the sale and from the storage, use or other consumption  
23 of dietary supplements as defined in § 44-18-7.1(l)(v), sold on prescriptions.

24           (60) *Blood.* From the sale and from the storage, use or other consumption of human  
25 blood.

26           (61) *Agricultural products for human consumption.* From the sale and from the storage,  
27 use or other consumption of livestock and poultry of the kinds of products of which ordinarily  
28 constitute food for human consumption and of livestock of the kind the products of which  
29 ordinarily constitute fibers for human use.

30           (62) *Diesel emission control technology.* From the sale and use of diesel retrofit  
31 technology that is required by § 31-47.3-4 of the general laws.

32           SECTION 4. Chapter 44-18 of the General Laws entitled “Sales and Use Taxes –  
33 Liability and Computation” is hereby amended by adding thereto the following section:

34           **44-18-7.3. Services defined.--** [\(a\) “Services” means all activities engaged in for other](#)

1 persons for a fee, retainer, commission, or other monetary charge, which activities involve the  
2 performance of a service in this state as distinguished from selling property.

3 (b) The following businesses and services performed in this state, along with the  
4 applicable 2007 North American Industrial Classification System (NAICS) codes, are included in  
5 the definition of services:

6 (1) *Taxicab and limousine services including but not limited to:*

7 (i) Taxicab services including taxi dispatchers (485310); and

8 (ii) Limousine services (485320).

9 (2) *Other road transportation service including but not limited to:*

10 (i) Charter bus service (485510); and

11 (ii) All other transit and ground passenger transportation (485999).

12 (3) *Pet care services (812910) except veterinary and testing laboratories services.*

13 (c) The tax administrator is authorized to promulgate rules and regulations in accordance  
14 with the provisions of chapter 42-35 to carry out the provisions, policies, and purposes of this  
15 chapter.

16 SECTION 5. Section 44-19-7 of the General Laws in Chapter 44-19 entitled “Sales and  
17 Use Taxes – Enforcement and Collection” is hereby amended to read as follows:

18 **44-19-7. Registration of retailers [effective until October 1, 2012]. --** Every retailer  
19 selling tangible personal property, or prewritten computer software delivered electronically or by  
20 load and leave for storage, use, or other consumption in this state, ~~and/or package tour and scenic~~  
21 ~~and sightseeing transportation services~~ or renting living quarters in any hotel, rooming house, or  
22 tourist camp in this state must register with the tax administrator and give the name and address  
23 of all agents operating in this state, the location of all distribution or sales houses or offices, or of  
24 any hotel, rooming house, or tourist camp or other places of business in this state, and other  
25 information that the tax administrator may require.

26 **44-19-7. Registration of retailers [effective October 1, 2012]. --** Every retailer selling  
27 tangible personal property, or prewritten computer software delivered electronically or by load  
28 and leave for storage, use, or other consumption in this state, as well as services as defined in  
29 section 44-18-7.3, in this state, or renting living quarters in any hotel as defined in section 42-  
30 63.1-2, rooming house, or tourist camp in this state must register with the tax administrator and  
31 give the name and address of all agents operating in this state, the location of all distribution or  
32 sales houses or offices, or of any hotel as defined in section 42-63.1-2, rooming house, or tourist  
33 camp or other places of business in this state, and other information that the tax administrator  
34 may require.



1 SECTION 6. Sections 44-20-1, 44-20-2, 44-20-3, 44-20-4.1, 44-20-12, 44-20-13, 44-20-  
2 13.2, 44-20-39 and 44-20-45 of the General Laws in Chapter 44-20 entitled "Cigarette Tax" is  
3 hereby amended to read as follows:

4 **44-20-1. Definitions. --** Whenever used in this chapter, unless the context requires  
5 otherwise:

6 (1) "Administrator" means the tax administrator;

7 (2) "Cigarettes" means and includes any cigarettes suitable for smoking in cigarette form,  
8 and each sheet of cigarette rolling paper;

9 (3) "Dealer" means any person whether located within or outside of this state, who sells  
10 or distributes cigarettes to a consumer in this state;

11 (4) "Distributor" means any person:

12 (A) Whether located within or outside of this state, other than a dealer, who sells or  
13 distributes cigarettes within or into this state. Such term shall not include any cigarette  
14 manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C. §  
15 5712, if such person sells or distributes cigarettes in this state only to licensed distributors, or to  
16 an export warehouse proprietor or another manufacturer with a valid permit under 26 U.S.C. §  
17 5712;

18 (B) Selling cigarettes directly to consumers in this state by means of at least twenty-five  
19 (25) cigarette vending machines;

20 (C) Engaged in this state in the business of manufacturing cigarettes or any person  
21 engaged in the business of selling cigarettes to dealers, or to other persons, for the purpose of  
22 resale only; provided, that seventy-five percent (75%) of all cigarettes sold by that person in this  
23 state are sold to dealers or other persons for resale and selling cigarettes directly to at least forty  
24 (40) dealers or other persons for resale; or

25 (D) Maintaining one or more regular places of business in this state for that purpose;  
26 provided, that seventy-five percent (75%) of the sold cigarettes are purchased directly from the  
27 manufacturer and selling cigarettes directly to at least forty (40) dealers or other persons for  
28 resale;

29 (5) "Importer" means any person who imports into the United States, either directly or  
30 indirectly, a finished cigarette for sale or distribution;

31 (6) "Licensed", when used with reference to a manufacturer, importer, distributor or  
32 dealer, means only those persons who hold a valid and current license issued under § 44-20-2 for  
33 the type of business being engaged in. When the term "licensed" is used before a list of entities,  
34 such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term shall be

1 deemed to apply to each entity in such list;

2 (7) "Manufacturer" means any person who manufactures, fabricates, assembles,  
3 processes, or labels a finished cigarette;

4 (8) "Person" means any individual, [including an employee or agent](#), firm, fiduciary,  
5 partnership, corporation, trust, or association, however formed;

6 (9) "Place of business" means and includes any place where cigarettes are sold or where  
7 cigarettes are stored or kept for the purpose of sale or consumption, including any vessel, vehicle,  
8 airplane, train, or vending machine;

9 (10) "Sale" or "sell" includes and applies to gifts, exchanges, and barter;

10 (11) "Stamp" means the impression, device, stamp, label, or print manufactured, printed,  
11 or made as prescribed by the administrator to be affixed to packages of cigarettes, as evidence of  
12 the payment of the tax provided by this chapter or to indicate that the cigarettes are intended for a  
13 sale or distribution in this state that is exempt from state tax under the provisions of state law; and  
14 also includes impressions made by metering machines authorized to be used under the provisions  
15 of this chapter.

16 **44-20-2. Importer, distributor, and dealer licenses required – Licenses required. --**

17 Each person engaging in the business of selling cigarette [and/or any tobacco](#) products in this state,  
18 including any distributor or dealer, shall secure a license from the administrator before engaging  
19 in that business, or continuing to engage in it. A separate application and license is required for  
20 each place of business operated by a distributor or dealer; provided, that an operator of vending  
21 machines for cigarette products is not required to obtain a distributor's license for each machine.  
22 If the applicant for a license does not have a place of business in this state, the license shall be  
23 issued for such applicant's principal place of business, wherever located. A licensee shall notify  
24 the administrator within thirty (30) days in the event that it changes its principal place of  
25 business. A separate license is required for each class of business if the applicant is engaged in  
26 more than one of the activities required to be licensed by this section. No person shall maintain or  
27 operate or cause to be operated a vending machine for cigarette products without procuring a  
28 dealer's license for each machine.

29 **44-20-3. Penalties for unlicensed business. --** Any distributor or dealer who sells, offers  
30 for sale, or possesses with intent to sell, [cigarettes and/or](#) any tobacco products without a license  
31 as provided in § 44-20-2, shall be fined in accordance with the provisions of and the penalties  
32 contained in § 11-9-13.15.

33 **44-20-4.1. License availability. --** (a) No license under this chapter may be granted,  
34 maintained or renewed if the applicant, or any combination of persons owning directly or

1 indirectly, ~~in the aggregate, more than ten percent (10%) of the ownership~~ any interests in the  
2 applicant:

3 (1) Owes five hundred dollars (\$500) or more in delinquent cigarette taxes;

4 (2) Is delinquent in any tax filings for one month or more;

5 ~~(2)~~(3) Had a license under this chapter revoked by the administrator within the past two  
6 (2) years;

7 ~~(3)~~(4) Has been convicted of a crime relating to cigarettes stolen or counterfeit cigarettes;

8 ~~(4)~~(5) Is a cigarette manufacturer or importer that is neither: (i) a participating  
9 manufacturer as defined in subsection II (jj) of the "Master Settlement Agreement" as defined in  
10 § 23-71-2; nor (ii) in full compliance with chapter 20.2 of this title and § 23-71-3;

11 ~~(5)~~(6) Has imported, or caused to be imported, into the United States any cigarette in  
12 violation of 19 U.S.C. § 1681a; or

13 ~~(6)~~(7) Has imported, or caused to be imported into the United States, or manufactured for  
14 sale or distribution in the United States any cigarette that does not fully comply with the Federal  
15 Cigarette Labeling and Advertising Act (15 U.S.C. § 1331, et. seq).

16 (b) No person shall apply for a new license or permit (as defined in § 44-19-1) or renewal  
17 of a license or permit, and no license or permit shall be issued or renewed for any person, unless  
18 all outstanding fines, fees or other charges relating to any license or permit held by that person  
19 have been paid.

20 (2) No license or permit shall be issued relating to a business at any specific location until  
21 all prior licenses or permits relating to that location have been officially terminated and all fines,  
22 fees or charges relating to the prior licenses have been paid or otherwise resolved or the  
23 administrator has found that the person applying for the new license or permit is not acting as an  
24 agent for the prior licensee or permit holder who is subject to any such related fines, fees or  
25 charges that are still due. Evidence of such agency status includes, but is not limited to, a direct  
26 familial relationship and/or an employment, contractual or other formal financial or business  
27 relationship with the prior licensee or permit holder.

28 (3) No person shall apply for a new license or permit pertaining to a specific location in  
29 order to evade payment of any fines, fees or other charges relating to a prior license or permit for  
30 that location.

31 (4) No new license or permit shall be issued for a business at a specific location for which  
32 a license or permit already has been issued unless there is a bona fide, good faith change in  
33 ownership of the business at that location.

34 (5) No license or permit shall be issued, renewed or maintained for any person, including

1 the owners of the business being licensed or having applied and received a permit, that has been  
2 convicted of violating any criminal law relating to tobacco products, the payment of taxes or  
3 fraud or has been ordered to pay civil fines of more than twenty-five thousand dollars (\$25,000)  
4 dollars for violations of any civil law relating to tobacco products, the payment of taxes or fraud.

5 **44-20-12. Tax imposed on cigarettes sold. --** A tax is imposed on all cigarettes sold or  
6 held for sale in the state. The payment of the tax to be evidenced by stamps, which may be  
7 affixed only by licensed distributors to the packages containing such cigarettes. Any cigarettes on  
8 which the proper amount of tax provided for in this chapter has been paid, payment being  
9 evidenced by the stamp, is not subject to a further tax under this chapter. The tax is at the rate of  
10 ~~one hundred seventy-three (173)~~ one hundred seventy-five (175) mills for each cigarette.

11 **44-20-13. Tax imposed on unstamped cigarettes. --** A tax is imposed at the rate of ~~one~~  
12 ~~hundred seventy-three (173)~~ one hundred seventy-five (175) mills for each cigarette upon the  
13 storage or use within this state of any cigarettes not stamped in accordance with the provisions of  
14 this chapter in the possession of any consumer within this state.

15 **44-20-13.2. Tax imposed on smokeless tobacco, cigars, and pipe tobacco products. --**

16 (a) A tax is imposed on all smokeless tobacco, cigars, and pipe tobacco products sold or held for  
17 sale in the state by any person, the payment of the tax to be accomplished according to a  
18 mechanism established by the administrator, division of taxation, department of administration.  
19 Any tobacco product on which the proper amount of tax provided for in this chapter has been  
20 paid, payment being evidenced by a stamp, is not subject to a further tax under this chapter. The  
21 tax imposed by this section shall be as follows:

22 (1) At the rate of eighty percent (80%) of the wholesale cost of cigars, pipe tobacco  
23 products and smokeless tobacco other than snuff.

24 (2) Notwithstanding the eighty percent (80%) rate in subsection (a) above, in the case of  
25 cigars, the tax shall not exceed fifty cents (\$.50) for each cigar.

26 (3) At the rate of one dollar (\$1.00) per ounce of snuff, and a proportionate tax at the like  
27 rate on all fractional parts of an ounce thereof. Such tax shall be computed based on the net  
28 weight as listed by the manufacturer, provided, however, that any product listed by the  
29 manufacturer as having a net weight of less than 1.2 ounces shall be taxed as if the product has a  
30 net weight of 1.2 ounces.

31 (b) Any dealer having in his or her possession any tobacco, cigars, and pipe tobacco  
32 products with respect to the storage or use of which a tax is imposed by this section shall, within  
33 five (5) days after coming into possession of the tobacco, cigars, and pipe tobacco in this state,  
34 file a return with the tax administrator in a form prescribed by the tax administrator. The return

1 [shall be accompanied by a payment of the amount of the tax shown on the form to be due.](#)  
2 [Records required under this section shall be preserved on the premises described in the relevant](#)  
3 [license in such a manner as to ensure permanency and accessibility for inspection at reasonable](#)  
4 [hours by authorized personnel of the administrator.](#)

5 (c) The proceeds collected are paid into the general fund.

6 **44-20-39. Forgery and counterfeiting – Tampering with meters – Reuse of stamps or**  
7 **containers. --** Any person who fraudulently makes or utters or forges or counterfeits any stamp,  
8 disc, license, or marker, prescribed by the tax administrator under the provisions of this chapter,  
9 or who causes or procures this to be done, or who willfully utters, publishes, passes or renders as  
10 true, any false, altered, forged, or counterfeited stamp, license, disc, or marker, or who knowingly  
11 possesses [more than twenty \(20\) packs of cigarettes containing](#) any false, altered, forged, or  
12 counterfeited stamp, license, disc, or marker, or who tampers with or causes to be tampered with  
13 any metering machine authorized to be used under the provisions of this chapter, or who removes  
14 or prepares any stamp with intent to use, or cause that stamp to be used, after it has already been  
15 used, or who buys, sells, offers for sale, or gives away any washed or removed or restored stamp  
16 to any person, or who has in his or her possession any washed or restored or removed or altered  
17 stamp which was removed from the article to which it was affixed, or who reuses or refills with  
18 cigarettes any package, box, or container required to be stamped under this chapter from which  
19 cigarettes have been removed, is deemed guilty of a felony, and, upon conviction, shall be fined  
20 ten thousand dollars (\$10,000), or be imprisoned for not more than ten (10) years, or both.

21 **44-20-45. Importation of cigarettes with intent to evade tax. --** Any person, firm,  
22 corporation, club, or association of persons, ~~not having a license as provided in this chapter,~~ who  
23 orders any cigarettes for another or pools orders for cigarettes from any persons or connives with  
24 others for pooling orders, or receives in this state any shipment of unstamped cigarettes on which  
25 the tax imposed by this chapter has not been paid, for the purpose and intention of violating the  
26 provisions of this chapter or to avoid payment of the tax imposed in this chapter, is guilty of a  
27 felony and shall be fined ten thousand dollars (\$10,000) or five (5) times the retail value of the  
28 cigarettes involved, whichever is greater, or imprisoned not more than five (5) years, or both.

29 SECTION 7. Chapter 44-20 of the General Laws entitled “Cigarette Tax” is hereby  
30 amended by adding thereto the following section:

31 **44-20-12.4. Floor stock tax on cigarettes and stamps. --** [\(a\) Whenever used in this](#)  
32 [section, unless the context requires otherwise:](#)

33 [\(1\) "Cigarette" means and includes any cigarette as defined in section 44-20-1\(2\);](#)

34 [\(2\) "Person" means and includes each individual, firm, fiduciary, partnership,](#)

1 corporation, trust, or association, however formed.

2 (b) Each person engaging in the business of selling cigarettes at retail in this state shall  
3 pay a tax or excise to the state for the privilege of engaging in that business during any part of the  
4 calendar year 2012. In calendar year 2012, the tax shall be measured by the number of cigarettes  
5 held by the person in this state at 12:01 a.m. on July 1, 2012 and is computed at the rate of two  
6 (2.0) mills for each cigarette on July 1, 2012.

7 (c) Each distributor licensed to do business in this state pursuant to this chapter shall pay  
8 a tax or excise to the state for the privilege of engaging in business during any part of the calendar  
9 year 2012. The tax is measured by the number of stamps, whether affixed or to be affixed to  
10 packages of cigarettes, as required by section 44-20-28. In calendar year 2012 the tax is measured  
11 by the number of stamps, as defined in section 44-20-1(10), whether affixed or to be affixed, held  
12 by the distributor at 12:01 a.m. on July 1, 2012, and is computed at the rate of two (2.0) mills per  
13 cigarette in the package to which the stamps are affixed or to be affixed.

14 (d) Each person subject to the payment of the tax imposed by this section shall, on or  
15 before July 10, 2012, file a return with the tax administrator on forms furnished by him or her,  
16 under oath or certified under the penalties of perjury, showing the amount of cigarettes or stamps  
17 in that person's possession in this state at 12:01 a.m. on July 1, 2012, and the amount of tax due,  
18 and shall at the time of filing the return pay the tax to the tax administrator. Failure to obtain  
19 forms shall not be an excuse for the failure to make a return containing the information required  
20 by the tax administrator.

21 (e) The tax administrator may promulgate rules and regulations, not inconsistent with  
22 law, with regard to the assessment and collection of the tax imposed by this section.

23 SECTION 8. Section 44-20.2-1 of the General Laws in Chapter 44-20.2 entitled "Little  
24 Cigar Tax" are hereby amended to read as follows:

25 **44-20.2-1. Definitions.** -- Whenever used in this chapter, unless the context requires  
26 otherwise:

27 (1) "Administrator" means the tax administrator;

28 (2) "Dealer" means any person whether located within or outside of this state, who sells  
29 or distributes little cigars to a consumer in this state;

30 (3) "Distributor" means any person:

31 (i) Whether located within or outside of this state, other than a dealer, who sells or  
32 distributes little cigars within or into this state. Such term shall not include any little cigar  
33 manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C. §  
34 5712, if such person sells or distributes little cigars in this state only to licensed distributors, or to

1 an export warehouse proprietor or another manufacturer with a valid permit under 26 U.S.C. §  
2 5712;

3 (ii) Selling little cigars directly to consumers in this state by means of at least twenty-five  
4 (25) little cigar vending machines.

5 (4) "Importer" means any person who imports into the United States, either directly or  
6 indirectly, a finished little cigar for sale or distribution;

7 (5) "Licensed" when used with reference to a manufacturer, importer, distributor or  
8 dealer, means only those persons who hold a valid and current license issued under § 44-20-2 for  
9 the type of business being engaged in. When the term "licensed" is used before a list of entities,  
10 such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term shall be  
11 deemed to apply to each entity in such list;

12 (6) "Little cigars" means and includes any roll, made wholly or in part of tobacco,  
13 irrespective of size or shape and irrespective of whether the tobacco is flavored, adulterated or  
14 mixed with any other ingredient, where such roll has a wrapper or cover made of tobacco  
15 wrapped in leaf tobacco or any substance containing tobacco paper or any other material and  
16 where such roll has an integrated filter, except where such wrapper is wholly or in greater part  
17 made of tobacco and where such roll has an integrated filter and ~~such roll~~ weighs over ~~three (3)~~  
18 four (4) pounds per thousand (1,000);

19 (7) "Manufacturer" means any person who manufactures, fabricates, assembles,  
20 processes, or labels a finished little cigar;

21 (8) "Person" means any individual, firm, fiduciary, partnership, corporation, trust, or  
22 association, however formed;

23 (9) "Place of business" means and includes any place where little cigars are sold or where  
24 little cigars are stored or kept for the purpose of sale or consumption, including any vessel,  
25 vehicle, airplane, train, or vending machine;

26 (10) "Sale" or "Sell" includes and applies to gifts, exchanges, and barter;

27 (11) "Snuff" means any finely cut, ground, or powdered tobacco that is not intended to be  
28 smoked;

29 (12) "Stamp" means the impression, device, stamp, label, or print manufactured, printed,  
30 or made as prescribed by the administrator to be affixed to packages of little cigars, as evidence  
31 of the payment of the tax provided by this chapter or to indicate that the little cigars are intended  
32 for a sale or distribution in this state that is exempt from state tax under the provisions of state  
33 law and also includes impressions made by metering machines authorized to be used under the  
34 provisions of this chapter.

1 SECTION 9. Section 44-44-2 of the General Laws in Chapter 44-44 entitled "Taxation of  
2 Beverage Containers, Hard-to-Dispose Material and Litter Control Participation" is hereby  
3 amended to read as follows:

4 **44-44-2. Definitions.** -- As used in this chapter:

5 (1) "Beverage" means ~~carbonated soft drinks, soda water, mineral water, bottled water,~~  
6 ~~and~~ all non-alcoholic drinks for human consumption, except milk but including beer and other  
7 malt beverages.

8 (2) "Beverage container" means any sealable bottle, can, jar, or carton which contains a  
9 beverage.

10 (3) "Beverage retailer" means any person who engages in the sale of a beverage container  
11 to a consumer within the state of Rhode Island, including any operator of a vending machine.

12 (4) "Beverage wholesaler" means any person who engages in the sale of beverage  
13 containers to beverage retailers in this state, including any brewer, manufacturer, or bottler who  
14 engages in those sales.

15 (5) "Case" means:

16 (i) Forty-eight (48) beverage containers sold or offered for sale within this state when  
17 each beverage container has a liquid capacity of seven (7) fluid ounces or less;

18 (ii) Twenty-four (24) beverage containers sold or offered for sale within this state when  
19 each beverage container has a liquid capacity in excess of seven (7) fluid ounces but less than or  
20 equal to sixteen and nine tenths (16.9) fluid ounces;

21 (iii) Twelve (12) beverage containers sold or offered for sale within this state when each  
22 beverage container has a liquid capacity in excess of sixteen and nine tenths (16.9) fluid ounces  
23 but less than thirty-three and nine tenths (33.9) fluid ounces; and

24 (iv) Six (6) beverage containers sold or offered for sale within this state when each  
25 beverage container has a liquid capacity of thirty-three and nine tenths (33.9) fluid ounces or  
26 more.

27 (6) A permit issued in accordance with § 44-44-3.1(1) is called a Class A permit.

28 (7) A permit issued in accordance with § 44-44-3.1(2) is called a Class B permit.

29 (8) A permit issued in accordance with § 44-44-3.1(3) is called a Class C permit.

30 (9) A permit issued in accordance with § 44-44-3.1(4) is called a Class D permit.

31 (10) A permit issued in accordance with § 44-44-3.1(5) is called a Class E permit.

32 (11) "Consumer" means any person who purchases a beverage in a beverage container for  
33 use or consumption with no intent to resell that filled beverage container.

34 (12) "Gross receipts" means those receipts reported for each location to the tax



1 administrator included in the measure of tax imposed under chapter 18 of this title, as amended.  
2 For those persons having multiple locations' receipts reported to the tax administrator the "gross  
3 receipts" to be aggregated shall be determined by each individual sales tax permit number. The  
4 term gross receipts shall be computed without deduction for retail sales of items in activities other  
5 than those which this state is prohibited from taxing under the constitution of the United States.

6 (13) "Hard-to-dispose material" is as defined in § 37-15.1-3.

7 (14) "Hard-to-dispose material retailer" means any person who engages in the retail sale  
8 of hard-to-dispose material (as defined in § 37-15.1-3) in this state.

9 (15) "Hard-to-dispose material wholesaler" means any person, wherever located, who  
10 engages in the sale of hard-to-dispose material (as defined in § 37-15.1-3) to customers for sale in  
11 this state (including manufacturers, refiners, and distributors and retailers), and to other persons  
12 as defined above.

13 (16) "New vehicle" means any mode of transportation for which a certificate of title is  
14 required pursuant to title 31 and for which a certificate of title has not been previously issued in  
15 this state or any other state or country.

16 (17) "Organic solvent" is as defined in § 37-15.1-3.

17 (18) "Person" means any natural person, corporation, partnership, joint venture,  
18 association, proprietorship, firm, or other business entity.

19 (19) "Prior calendar year" means the period beginning with January 1 and ending with  
20 December 31 immediately preceding the permit application due date.

21 (20) "Qualifying activities" means selling or offering for retail sale food or beverages for  
22 immediate consumption and/or packaged for sale on a take out or to go basis regardless of  
23 whether or not the items are subsequently actually eaten on or off the vendor's premises.

24 (21) "Vending machine" means a self-contained automatic device that dispenses for sale  
25 foods, beverages, or confection products.

26 SECTION 10. Sections 44-31.2-2, 44-31.2-5, and 44-31.2-6 of the General Laws in  
27 Chapter 44-31.2 entitled "Motion Picture Production Tax Credit" are hereby amended to read as  
28 follows:

29 **44-31.2-2. Definitions.** -- For the purposes of this chapter:

30 (1) "Accountant's certification" as provided in this chapter means a certified audit by a  
31 Rhode Island certified public accountant licensed in accordance with section 5-3.1.

32 (2) "Base investment" means the actual investment made and expended by a state-  
33 certified production in the state as production-related costs.

34 [\(3\) "Documentary Production" means a non-fiction production intended for educational](#)

1 or commercial distribution that may require out of state principal photography.

2 ~~(3)~~(4) "Domiciled in Rhode Island" means a corporation incorporated in Rhode Island or  
3 a partnership, limited liability company, or other business entity formed under the laws of the  
4 state of Rhode Island for the purpose of producing motion pictures as defined in this section, or  
5 an individual who is a domiciled resident of the state of Rhode Island as defined in chapter 30 of  
6 this title.

7 (5) "Final Production Budget" means and includes the total pre-production, production  
8 and post-production out-of-pocket costs incurred and paid in connection with the making of the  
9 motion picture. The final production budget excludes costs associated with the promotion or  
10 marketing of the motion picture

11 ~~(4)~~(6) "Motion picture" means a feature-length film, documentary production, video,  
12 video games, television series, or commercial made in Rhode Island, in whole or in part, for  
13 theatrical or television viewing or as a television pilot or for educational distribution. The term  
14 "motion picture" shall not include the production of television coverage of news or athletic  
15 events, nor shall it apply to any film, video, television series or commercial or a production for  
16 which records are required under section 2257 of title 18, U.S.C., to be maintained with respect to  
17 any performer in such production or reporting of books, films, etc. with respect to sexually  
18 explicit conduct.

19 ~~(5)~~(7) "Motion picture production company" means a corporation, partnership, limited  
20 liability company or other business entity engaged in the business of producing one or more  
21 motion pictures as defined in this section. Motion picture production company shall not mean or  
22 include: (a) any company owned, affiliated, or controlled, in whole or in part by any company or  
23 person which is in default: (i) on taxes owed to the state; or (ii) on a loan made by the state in the  
24 application year; or (iii) on a loan guaranteed by the state in the application year; ~~nor (iv) any~~  
25 ~~company or person who has even declared bankruptcy under which an obligation of the company~~  
26 ~~or person to pay or repay public funds or monies was discharged as a part of such bankruptcy.~~ or  
27 (b) any company or person who has discharged an obligation to pay or repay public funds or  
28 monies by: (i) filing a petition under any Federal or state bankruptcy or insolvency law; (ii)  
29 having a petition filed under any Federal or state bankruptcy or insolvency law against such  
30 company or person; (iii) consenting to, or acquiescing or joining in, a petition named in (i) or (ii);  
31 (iv) consenting to, or acquiescing or joining in, the appointment of a custodian, receiver, trustee,  
32 or examiner for such company's or person's property; or (v) making an assignment for the benefit  
33 of creditors or admitting in writing or in any legal proceeding its insolvency or inability to pay  
34 debts as they become due.

1           ~~(6)~~(8) "Primary locations" means the locations within which (1) at least fifty-one percent  
2 (51%) of the motion picture principal photography days are filmed; or (2) at least fifty-one  
3 percent (51%) of the motion picture's final production budget is spent and employs at least five  
4 (5) individuals during the production in this state; or (3) for documentary productions, the  
5 location of at least fifty-one percent (51%) of the total productions days, which shall include pre-  
6 production and post-production locations.

7           ~~(7)~~(9) "Rhode Island film and television office" means an office within the ~~Rhode Island~~  
8 ~~state council on the arts~~ department of administration that has been established in order to  
9 promote and encourage the locating of film and television productions within the state of Rhode  
10 Island. The office is also referred to within as the "film office".

11           ~~(8)~~(10) "State-certified production" means a motion picture production approved by the  
12 Rhode Island film office and produced by a motion picture production company domiciled in  
13 Rhode Island, whether or not such company owns or controls the copyright and distribution rights  
14 in the motion picture; provided, that such company has either: (a) signed a viable distribution  
15 plan; or (b) is producing the motion picture for: (i) a major motion picture distributor; (ii) a major  
16 theatrical exhibitor; (iii) television network; or (iv) cable television programmer.

17           ~~(9)~~(11) "State certified production cost" means any pre-production, production and post-  
18 production cost that a motion picture production company incurs and pays to the extent it occurs  
19 within the state of Rhode Island. Without limiting the generality of the foregoing, "state certified  
20 production costs" include: set construction and operation; wardrobes, make-up, accessories, and  
21 related services; costs associated with photography and sound synchronization, lighting, and  
22 related services and materials; editing and related services, including, but not limited to, film  
23 processing, transfers of film to tape or digital format, sound mixing, computer graphics services,  
24 special effects services, and animation services, salary, wages, and other compensation, including  
25 related benefits, of persons employed, either director or indirectly, in the production of a film  
26 including writer, motion picture director, producer (provided the work is performed in the state of  
27 Rhode Island); rental of facilities and equipment used in Rhode Island; leasing of vehicles; costs  
28 of food and lodging; music, if performed, composed, or recorded by a Rhode Island musician, or  
29 released or published by a person domiciled in Rhode Island; travel expenses incurred to bring  
30 persons employed, either directly or indirectly, in the production of the motion picture, to Rhode  
31 Island (but not expenses of such persons departing from Rhode Island); and legal (but not the  
32 expense of a completion bond or insurance and accounting fees and expenses related to the  
33 production's activities in Rhode Island); provided such services are provided by Rhode Island  
34 licensed attorneys or accountants.

1           (12) "Application year" means within the calendar year the motion picture production  
2 company files an application for the tax credit.

3           **44-31.2-5. Motion picture production company tax credit.** -- (a) A motion picture  
4 production company shall be allowed a credit to be computed as provided in this chapter against a  
5 tax imposed by chapters 11, 14, 17 and 30 of this title. The amount of the credit shall be twenty-  
6 five percent (25%) of the state certified production costs incurred directly attributable to activity  
7 within the state, provided that the primary locations are within the state of Rhode Island and the  
8 total production budget as defined herein is a minimum of ~~three one~~ hundred thousand dollars  
9 ~~(\$300,000)~~ (\$100,000). The credit shall be earned in the taxable year in which production in  
10 Rhode Island is completed, as determined by the film office in final certification pursuant to  
11 subsection 44-31.2-6(c).

12           (b) For the purposes of this section: "total production budget" means and includes the  
13 motion picture production company's pre-production, production and post-production costs  
14 incurred for the production activities of the motion picture production company in Rhode Island  
15 in connection with the production of a state-certified production. The budget shall not include  
16 costs associated with the promotion or marketing of the film, video or television product.

17           (c) Notwithstanding subsection (a), the ~~The~~ credit shall not exceed ~~the total production~~  
18 ~~budget~~ five million dollars (\$5,000,000) and shall be allowed against the tax for the taxable  
19 period in which the credit is earned and can be carried forward for not more than three (3)  
20 succeeding tax years. Pursuant to rules promulgated by the tax administrator, the administrator  
21 may issue a waiver of the five million dollar (\$5,000,000) tax credit cap for any feature-length  
22 film or television series up to the remaining funds available pursuant to section (e).

23           (d) Credits allowed to a motion picture production company, which is a subchapter S  
24 corporation, partnership, or a limited liability company that is taxed as a partnership, shall be  
25 passed through respectively to persons designated as partners, members or owners on a pro rata  
26 basis or pursuant to an executed agreement among such persons designated as subchapter S  
27 corporation shareholders, partners, or members documenting an alternate distribution method  
28 without regard to their sharing of other tax or economic attributes of such entity.

29           (e) No more than fifteen million dollars (\$15,000,000) in total may be issued for any tax  
30 year beginning after December 31, 2007 for motion picture tax credits pursuant to this chapter  
31 and/or musical and theatrical production tax credits pursuant to chapter 31.3 of this title. Said  
32 credits shall be equally available to motion picture productions and musical and theatrical  
33 productions. No specific amount shall be set aside for either type of production.

34           **44-31.2-6. Certification and administration.** -- (a) *Initial certification of a production.*

1 The applicant shall properly prepare, sign and submit to the film office an application for initial  
2 certification of the Rhode Island production. The application shall include such information and  
3 data as the film office deems necessary for the proper evaluation and administration of said  
4 application, including, but not limited to, any information about the motion picture production  
5 company, and a specific Rhode Island motion picture. The film office shall review the completed  
6 application and determine whether it meets the requisite criteria and qualifications for the initial  
7 certification for the production. If the initial certification is granted, the film office shall issue a  
8 notice of initial certification of the motion picture production to the motion picture production  
9 company and to the tax administrator. The notice shall state that, after appropriate review, the  
10 initial application meets the appropriate criteria for conditional eligibility. The notice of initial  
11 certification will provide a unique identification number for the production and is only a  
12 statement of conditional eligibility for the production and, as such, does not grant or convey any  
13 Rhode Island tax benefits.

14 *(b) Final certification of a production.* Upon completion of the Rhode Island production  
15 activities, the applicant shall request a certificate of good standing from the Rhode Island division  
16 of taxation. ~~The division shall expedite the process for reviewing the issuance of such certificates.~~  
17 Such certificates shall verify to the film office the motion picture production company's  
18 compliance with the requirements of subsection 44-31.2-2(5). The applicant shall properly  
19 prepare, sign and submit to the film office an application for final certification of the production  
20 and which must include the certificate of good standing from the division of taxation. In addition,  
21 the application shall contain such information and data as the film office determines is necessary  
22 for the proper evaluation and administration, including, but not limited to, any information about  
23 the motion picture production company, its investors and information about the production  
24 previously granted initial certification. The final application shall also contain a cost report and an  
25 "accountant's certification". The film office and tax administrator may rely without independent  
26 investigation, upon the accountant's certification, in the form of an opinion, confirming the  
27 accuracy of the information included in the cost report. Upon review of a duly completed and  
28 filed application, the film office will make a determination pertaining to the final certification of  
29 the production ~~and the resultant credits for § 44-31.2-5.~~ Within ninety (90) days after the division  
30 of taxation's receipt of the motion picture production company final certification and cost report,  
31 the division of taxation shall issue a certification of the amount of credit for which the motion  
32 picture production company qualifies under section 44-31.2-5. To claim the tax credit, the  
33 division of taxation's certification as to the amount of the tax credit shall be attached to all state  
34 tax returns on which the credit is claimed.

1 (c) *Final certification and credits.* Upon determination that the motion picture production  
2 company qualifies for final certification ~~and the resultant credits~~, the film office shall issue a  
3 letter to the production company indicating "certificate of completion of a state certified  
4 production" ~~and shall provide specifically designed certificates for the motion picture production~~  
5 ~~company credit under § 44-31.2-5.~~ A motion picture production company is prohibited from  
6 using state funds, state loans or state guaranteed loans to qualify for the motion picture tax credit.  
7 All documents that are issued by the film office pursuant to this section shall reference the  
8 identification number that was issued to the production as part of its initial certification.

9 (d) The director of the ~~Rhode Island film and television office~~ department of  
10 administration, in consultation as needed with the tax administrator, shall promulgate such rules  
11 and regulations as are necessary to carry out the intent and purposes of this chapter in accordance  
12 with the general guidelines provided herein for the certification of the production and the  
13 resultant production credit.

14 (e) The tax administrator of the division of taxation, in consultation with the director of  
15 the Rhode Island film and television office, shall promulgate such rules and regulations as are  
16 necessary to carry out the intent and purposes of this chapter in accordance with the general  
17 guidelines for the tax credit provided herein.

18 (f) Any motion picture production company applying for the credit shall be required to  
19 reimburse the division of taxation for any audits required in relation to granting the credit.

20 SECTION 11. Chapter 44-31.2 of the General Laws entitled "Motion Picture Production  
21 Tax Credit" is hereby amended by adding thereto the following section:

22 **44-31.2-11. Sunset.** -- No credits shall be issued on or after July 1, 2019 unless the  
23 production has received initial certification under subsection 44-31.2-6(a) prior to July 1, 2019.

24 SECTION 12. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
25 adding thereto the following chapter:

26 CHAPTER 31.3

27 MUSICAL AND THEATRICAL PRODUCTION TAX CREDITS

28 **44-31.3-1. Declaration of purpose.** -- The general assembly finds and declares that it is  
29 Rhode Island's priority to reduce the state's unemployment rate by stimulating new industries that  
30 have large employment growth potential by providing tax incentives and other means necessary  
31 and therefore recognizes that such incentives should be created for the arts and entertainment  
32 industry. The purpose of this chapter is to create economic incentives for the purpose of  
33 stimulating the local economy and reducing unemployment in Rhode Island.

34 **44-31.3-2. Musical and Theatrical Production Tax Credits.** –

1           (a) Definitions - As used in this chapter:

2           (1) “Accredited theater production” means a for-profit live stage presentation in a  
3 qualified production facility, as defined in this chapter that is either: (i) A Pre-Broadway  
4 production, or (ii) A Post-Broadway production.

5           (2) “Accredited theater production certificate” means a certificate issued by the film  
6 office certifying that the production is an accredited theater production that meets the guidelines  
7 of this chapter.

8           (3) “Advertising and public relations expenditure” means costs incurred within the state  
9 by the accredited theater productions for goods or services related to the national marketing,  
10 public relations, creation and placement of print, electronic, television, billboards and other forms  
11 of advertising to promote the accredited theater production.

12           (4) “Payroll” means all salaries, wages, fees, and other compensation including related  
13 benefits for services performed and costs incurred within Rhode Island.

14           (5) “Pre-Broadway Production” means a live stage production that, in its original or  
15 adaptive version, is performed in a qualified production facility having a presentation scheduled  
16 for Broadway’s theater district in New York City within (12) months after its Rhode Island  
17 presentation.

18           (6) “Post-Broadway production” means a live stage production that, in its original or  
19 adaptive version, is performed in a qualified production facility and opens its US tour in Rhode  
20 Island after a presentation scheduled for Broadway’s theater district in New York City.

21           (7) “Production and Performance Expenditures” means a contemporaneous exchange of  
22 cash or cash equivalent for goods or services related to development, production, performance or  
23 operating expenditures incurred in this state for a qualified theater production including, but not  
24 limited to, expenditures for design, construction and operation, including sets, special and visual  
25 effects, costumes, wardrobes, make-up, accessories, costs associated with sound, lighting,  
26 staging, payroll, transportation expenditures, advertising and public relations expenditures,  
27 facility expenses, rentals, per diems, accommodations and other related costs.

28           (8) “Qualified Production Facility” means a facility located in the State of Rhode Island  
29 in which live theatrical productions are, or are intended to be, exclusively presented that contains  
30 at least one stage, a seating capacity of one thousand five hundred (1,500) or more seats, and  
31 dressing rooms, storage areas, and other ancillary amenities necessary for the accredited theater  
32 production.

33           (9) “Resident” or “Rhode Island resident” means for the purpose of determination of  
34 eligibility for the tax incentives provided by this chapter, an individual who is domiciled in the

1 State of Rhode Island or who is not domiciled in this state but maintains a permanent place of  
2 abode in this state and is in this state for an aggregate of more than one hundred eighty-three  
3 (183) days of the taxable year, unless the individual is in the armed forces of the United States.

4 (10) “Rhode Island film and television office” means the office within the department of  
5 administration that has been established in order to promote and encourage the locating of film  
6 and television productions within the state of Rhode Island. The office is also referred to as the  
7 “film office”.

8 (11) (i) “Transportation expenditures” means expenditures for the packaging, crating, and  
9 transportation both to the state for use in a qualified theater production of sets, costumes, or other  
10 tangible property constructed or manufactured out of state, and/or from the state after use in a  
11 qualified theater production of sets, costumes, or other tangible property constructed or  
12 manufactured in this state and the transportation of the cast and crew to and from the state. Such  
13 term shall include the packaging, crating, and transporting of property and equipment used for  
14 special and visual effects, sound, lighting, and staging, costumes, wardrobes, make-up and related  
15 accessories and materials, as well as any other performance or production-related property and  
16 equipment.

17 (ii) Transportation expenditures shall not include any costs to transport property and  
18 equipment to be used only for filming and not in a qualified theater production, any indirect costs,  
19 and expenditures that are later reimbursed by a third party, or any amounts that are paid to  
20 persons or entities as a result of their participation in profits from the exploitation of the  
21 production.

22 (b) Tax Credit. (1) Any person, firm, partnership, trust, estate or other entity that receives  
23 an accredited theater production certificate shall be allowed a tax credit equal to twenty-five  
24 percent (25%) of the total production and performance expenditures and transportation  
25 expenditures for the accredited theater production and to be computed as provided in this chapter  
26 against a tax imposed by chapters 11, 12, 13, 14, 17 and 30 of this title. Said credit shall not  
27 exceed five million dollars (\$5,000,000) and shall be limited to certified production cost directly  
28 attributable to activities in the state and transportation expenditures defined above. The total  
29 production budget shall be a minimum of one hundred thousand dollars (\$100,000).

30 (2) No more than fifteen million dollars (\$15,000,000) in total may be issued for any tax  
31 year for motion picture tax credits pursuant to chapter 31.2 of this title and/or musical and  
32 theatrical production tax credits pursuant to this chapter. Said credits shall be equally available to  
33 motion picture productions and musical and theatrical productions. No specific amount shall be  
34 set aside for either type of production.



1           (3) The tax credit shall be allowed against the tax for the taxable period in which the  
2 credit is earned and can be carried forward for not more than three (3) succeeding tax years.

3           (4) Credits allowed to a company, which is a subchapter S corporation, partnership, or a  
4 limited liability company that is taxed as a partnership, shall be passed through respectively to  
5 persons designated as partners, members or owners on a pro rata basis or pursuant to an executed  
6 agreement among such persons designated as subchapter S corporation shareholders, partners, or  
7 members documenting an alternate distribution method without regard to their sharing of other  
8 tax or economic attributes of such entity.

9           (5) If the company has not claimed the tax credits in whole or part, taxpayers eligible for  
10 the tax credits may assign, transfer or convey the tax credits, in whole or in part, by sale or  
11 otherwise to any individual or entity and such assignee of the tax credits that have not claimed the  
12 tax credits in whole or part may assign, transfer or convey the tax credits, in whole or in part, by  
13 sale or otherwise to any individual or entity. The assignee of the tax credits may use acquired  
14 credits to offset up to one hundred percent (100%) of the tax liabilities otherwise imposed  
15 pursuant to chapter 11, 12, 13 (other than the tax imposed under section 44-13-13), 14, 17 or 30  
16 of this title. The assignee may apply the tax credit against taxes imposed on the assignee for not  
17 more than three (3) succeeding tax years. The assignor shall perfect the transfer by notifying the  
18 state of Rhode Island division of taxation, in writing, within thirty (30) calendar days following  
19 the effective date of the transfer and shall provide any information as may be required by the  
20 division of taxation to administer and carry out the provisions of this section.

21           (6) For purposes of this chapter, any assignment or sales proceeds received by the  
22 assignor for its assignment or sale of the tax credits allowed pursuant to this section shall be  
23 exempt from this title.

24           (7) In the case of a corporation, this credit is only allowed against the tax of a corporation  
25 included in a consolidated return that qualifies for the credit and not against the tax of other  
26 corporations that may join in the filing of a consolidated tax return.

27           (c) Certification and administration. - (1) The applicant shall properly prepare, sign and  
28 submit to the film office an application for initial certification of the theater production. The  
29 application shall include such information and data as the film office deems reasonably necessary  
30 for the proper evaluation and administration of said application, including, but not limited to, any  
31 information about the theater production company and a specific Rhode Island live theater or  
32 musical production. The film office shall review the completed application and determine  
33 whether it meets the requisite criteria and qualifications for the initial certification for the  
34 production. If the initial certification is granted, the film office shall issue a notice of initial

1 certification of the accredited theater production to the theater production company and to the tax  
2 administrator. The notice shall state that, after appropriate review, the initial application meets the  
3 appropriate criteria for conditional eligibility. The notice of initial certification will provide a  
4 unique identification number for the production and is only a statement of conditional eligibility  
5 for the production and, as such, does not grant or convey any Rhode Island tax benefits. (2) Upon  
6 completion of an accredited theater production, the applicant shall properly prepare, sign and  
7 submit to the film office an application for final certification of the accredited theater production.  
8 The final application shall also contain a cost report and an “accountant’s certification.” The film  
9 office and tax administrator may rely without independent investigation, upon the accountant’s  
10 certification, in the form of an opinion, confirming the accuracy of the information included in  
11 the cost report. Upon review of a duly completed and filed application and upon no later than  
12 thirty (30) days of submission thereof, the division of taxation will make a determination  
13 pertaining to the final certification of the accredited theater production and the resultant tax  
14 credits.

15 (3) Upon determination that the company qualifies for final certification and the resultant  
16 tax credits, the tax administrator of the division of taxation shall issue to the company: (i) An  
17 Accredited Theater Production Certificate; and (ii) A tax credit certificate in an amount in  
18 accordance with this section (b) hereof. A musical and theatrical production company is  
19 prohibited from using state funds, state loans or state guaranteed loans to qualify for the motion  
20 picture tax credit. All documents that are issued by the film office pursuant to this section shall  
21 reference the identification number that was issued to the production as part of its initial  
22 certification.

23 (4) The director of the department of administration, in consultation as needed with the  
24 tax administrator, shall promulgate such rules and regulations as are necessary to carry out the  
25 intent and purposes of this chapter in accordance with the general guidelines provided herein for  
26 the certification of the production and the resultant production credit.

27 (5) If information comes to the attention of the film office that is materially inconsistent  
28 with representations made in an application, the film office may deny the requested certification.  
29 In the event that tax credits or a portion of tax credits are subject to recapture for ineligible costs  
30 and such tax credits have been transferred, assigned and/or allocated, the state will pursue its  
31 recapture remedies and rights against the applicant of the theater production tax credits. No  
32 redress shall be sought against assignees, sellers, transferees or allocates of such credits.

33 (d) Information requests. (i) The director of the film office and his or her agents, for the  
34 purpose of ascertaining the correctness of any credit claimed under the provisions of this chapter,

1 may examine any books, paper, records, or memoranda bearing upon the matters required to be  
2 included in the return, report, or other statement, and may require the attendance of the person  
3 executing the return, report, or other statement, or of any officer or employee of any taxpayer, or  
4 the attendance of any other person, and may examine the person under oath respecting any matter  
5 which the director or his or her agent deems pertinent or material in administration and  
6 application of this chapter and where not inconsistent with other legal provisions, the director  
7 may request information from the tax administrator.

8 (ii) The tax administrator and his or her agents, for the purpose of ascertaining the  
9 correctness of any credit claimed under the provisions of this chapter, may examine any books,  
10 paper, records, or memoranda bearing upon the matters required to be included in the return,  
11 report, or other statement, and may require the attendance of the person executing the return,  
12 report, or other statement, or of any officer or employee of any taxpayer, or the attendance of any  
13 other person, and may examine the person under oath respecting any matter which the tax  
14 administrator or his or her agent deems pertinent or material in determining the eligibility for  
15 credits claimed and may request information from the film office, and the film office shall  
16 provide the information in all cases to the tax administrator.

17 (e) The film office shall comply with the impact analysis and periodic reporting  
18 provisions of 44-31.2-6.1.

19 **44-31.3-3. Hearings and appeals. --** (a) From an action of the film office. - For matters  
20 pertaining exclusively to application, production, and certification of musical and theatrical  
21 productions, any person aggrieved by a denial action of the film office under this chapter shall  
22 notify the director of the film office in writing, within thirty (30) days from the date of mailing of  
23 the notice of denial action by the film office and request a hearing relative to the denial or action.  
24 The director of the film office shall, as soon as is practicable, fix a time and place of hearing, and  
25 shall render a final decision. Appeals from a final decision of the director of the film office under  
26 this chapter are to the sixth (6th) division district court pursuant to chapter 35 of title 42 of the  
27 general laws.

28 (b) From denial of tax credit. - Any person aggrieved by the tax administrator's denial of  
29 a tax credit or tax benefit in this section shall notify the tax administrator in writing within thirty  
30 (30) days from the date of mailing of the notice of denial of the tax credit and request a hearing  
31 relative to the denial of the tax credit. The tax administrator shall, as soon as is practicable, fix a  
32 time and place for a hearing, and shall render a final decision. Appeals from a final decision of  
33 the tax administrator under this chapter are to the sixth (6th) division district court pursuant to  
34 chapter 8 of title 8 of the general laws. The taxpayer's right to appeal is expressly made

1 [conditional upon prepayment of all taxes, interest, and penalties, unless the taxpayer files a timely](#)  
2 [motion for exemption from prepayment with the district court in accordance with the](#)  
3 [requirements imposed pursuant to section 8-8-26 of the general laws.](#)

4 **44-31.3-4. Sunset.** -- [No credits shall be issued on or after July 1, 2019 unless the](#)  
5 [production has received initial certification under subsection 44-31.3-2\(c\) prior to July 1, 2019.](#)

6 SECTION 13. Section 42-75-12 of the General Laws in Chapter 42-75 entitled "Council  
7 on the Arts" is hereby amended to read as follows:

8 **42-75-12. Rhode Island film and television office.** -- Within the ~~commission~~  
9 [department of administration](#) there is established a separate, distinct office entitled the "Rhode  
10 Island film and television office." This office is established in order to promote and encourage  
11 film and television productions within the state of Rhode Island. This office is also responsible  
12 for the review of applications of motion picture productions pursuant to the requirements of  
13 chapter 31.2 of title 44.

14 SECTION 14. Section 31-22-11 of the General Laws in Chapter 31-22 entitled  
15 "Miscellaneous Rules" is hereby amended to read as follows:

16 **31-22-11. Inspection of school buses.** -- (a) The division of motor vehicles shall inspect  
17 or cause to be inspected all school buses used for the transportation of school children as defined  
18 in section 31-1-3(v) at least twice throughout the year. Both of the inspections are to be done at a  
19 state certified facility on a semiannual scheduled basis. These inspections will be known as tear  
20 down inspections that will include pulling wheels at least once each year if the school bus is  
21 equipped with drum brakes and any other work deemed necessary by the state employed or state  
22 certified inspectors. Reports of the inspections shall be made in writing and shall be filed with the  
23 inspection division of the department of revenue, and the reports shall be available at no cost for  
24 public inspection during usual business hours of the division. [In the event that a school bus does](#)  
25 [not pass an inspection and a re-inspection is required, the division of motor vehicles shall impose](#)  
26 [a fee of one hundred dollars \(\\$100\) for each re-inspection.](#)

27 (b) Upon receipt of the report, the inspection division shall immediately forward a copy  
28 to the registered owner and to the superintendent and school committee of the school district for  
29 which the school bus transports children.

30 SECTION 15. Section 3-10-5 of the General Laws in Chapter 3-10 entitled "Taxation of  
31 Beverages" is hereby amended to read as follows:

32 **3-10-5. Information supplemental to returns -- Audit of books.** -- (a) The tax  
33 administrator may at any time request further information from any person or from the officers  
34 and employees of any corporation which he or she may deem necessary to verify, explain or

1 correct any return made in pursuance of the provisions of this chapter, and for the like purpose the  
2 administrator or his or her authorized agent may examine the books of account of that person or  
3 corporation during business hours.

4 (b) Each licensee authorized to sell intoxicating beverages at wholesale or retail in this  
5 state shall file an annual report on or before February 1 with the division of taxation in the form  
6 required by the tax administrator. Such report shall included, but not limited to, total sales of  
7 alcoholic beverages, sales tax and excise tax collections on such sales for immediately preceding  
8 calendar year. Annually, on or before May 1, the tax administrator shall prepare and submit to the  
9 chairs of house and senate finance committees a report reflecting data from the annuals reports  
10 submitted by said licensee to the division of taxation. The tax administrator's report shall compile  
11 total sales of alcoholic beverages, sales tax and excise tax collections by county.

12 SECTION 16. Section 4 of this article shall take effect on October 1, 2012.

13 The remaining sections of this article shall take effect on July 1, 2012.