

2013 -- H 6021

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO TAXATION - SALES AND USE TAXES - LIABILITY

Introduced By: Representatives Lally, Azzinaro, Hull, Edwards, and Tanzi

Date Introduced: April 24, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-18-18 of the General Laws in Chapter 44-18 entitled "Sales and
2 Use Taxes - Liability and Computation" is hereby amended to read as follows:

3 **44-18-18. Sales tax imposed. [Effective October 1, 2012.]** – (a) A tax is imposed upon
4 sales at retail in this state including charges for rentals of living quarters in hotels as defined in
5 section 42-63.1-2, rooming houses, or tourist camps, at the rate of six percent (6%) of the gross
6 receipts of the retailer from the sales or rental charges; provided, that the tax imposed on charges
7 for the rentals applies only to the first period of not exceeding thirty (30) consecutive calendar
8 days of each rental; provided, further, that for the period commencing July 1, 1990, the tax rate is
9 seven percent (7%). The tax is paid to the tax administrator by the retailer at the time and in the
10 manner provided. Excluded from this tax are those living quarters in hotels, rooming houses, or
11 tourist camps for which the occupant has a written lease for the living quarters which lease covers
12 a rental period of twelve (12) months or more. In recognition of the work being performed by the
13 Streamlined Sales and Use Tax Governing Board, upon any federal law which requires remote
14 sellers to collect and remit taxes, effective the first (1st) day of the first (1st) state fiscal quarter
15 following the change, the rate imposed under section 44-18-18 shall be six and one-half percent
16 (6.5%).

17 **(b) Notwithstanding the provisions of subsection (a), a tax is imposed upon sales at retail**
18 **in this state for any and all alcoholic beverages as defined in section 44-18-7.1 at the rate of three**
19 **percent (3%).**

1 SECTION 2. Section 3-10-1 of the General Laws in Chapter 3-10 entitled "Taxation of
2 Beverages" is hereby amended to read as follows:

3 **3-10-1. Manufacturing tax rates -- Exemption of religious uses.** -- (a) There shall be
4 assessed and levied by the tax administrator on all beverages manufactured, rectified, blended, or
5 reduced for sale in this state a tax of ~~three dollars (\$3.00)~~ three dollars and thirty cents (\$3.30) on
6 every thirty-one (31) gallons, and a tax at a like rate for any other quantity or fractional part. On
7 any beverage manufactured, rectified, blended, or reduced for sale in this state consisting in
8 whole or in part of wine, whiskey, rum, gin, brandy spirits, ethyl alcohol, or other strong liquors
9 (as distinguished from beer or other brewery products) the tax to be assessed and levied is as
10 follows:

11 (1) Still wines (whether fortified or not), ~~sixty cents (\$.60)~~ fifty-five cents (\$.55) per
12 gallon;

13 (2) Still wines (whether fortified or not) made entirely from fruit grown in this state,
14 thirty cents (\$.30) per gallon;

15 (3) Sparkling wines (whether fortified or not), ~~seventy-five cents (\$.75)~~ seventy cents
16 (\$.70) per gallon;

17 (4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole
18 or in part of alcohol which is the product of distillation, ~~three dollars and seventy-five cents~~
19 ~~(\$3.75)~~ four dollars and five cents (\$4.05) per gallon, except that whiskey, rum, gin, brandy
20 spirits, cordials, and other beverages consisting in whole or in part of alcohol which is the product
21 of distillation but which contains alcohol measuring thirty (30) proof or less, one dollar and ten
22 cents (\$1.10) per gallon;

23 (5) Ethyl alcohol to be used for beverage purposes, seven dollars and fifty cents (\$7.50)
24 per gallon; and

25 (6) Ethyl alcohol to be used for nonbeverage purposes, eight cents (\$.08) per gallon.

26 (b) Sacramental wines are not subject to any tax if sold directly to a member of the
27 clergy for use by the purchaser, or his or her congregation for sacramental or other religious
28 purposes.

29 (c) A brewer who brews beer in this state which is actively and directly owned,
30 managed, and operated by an authorized legal entity which has owned, managed, and operated a
31 brewery in this state for at least twelve (12) consecutive months, shall receive a tax exemption on
32 the first one hundred thousand (100,000) barrels of beer that it produces and distributes in this
33 state in any calendar year. A barrel of beer is thirty one (31) gallons.

1 SECTION 3. This act shall take effect on July 1, 2013.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would lower the sales tax imposed on alcoholic beverages from six percent (6%)
2 to three percent (3%) and change the manufacturing taxes imposed on wine, beer and strong
3 liquors to match the manufacturing taxes currently imposed by the commonwealth of
4 Massachusetts.

5 This act would take effect on July 1, 2013.

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