

2013 -- S 0131

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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 AND  
COMPUTATION

Introduced By: Senators Walaska, Felag, and Bates

Date Introduced: January 24, 2013

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

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

3 **44-18-30E. Annual Sales Tax Holiday.** – (a) A series of periods of sales tax holidays for  
4 alcoholic beverages which are not to be consumed on the premises are hereby established. During  
5 these periods, purchases of alcoholic beverages made by individuals for personal use and which  
6 are not to be consumed on the premises where the sale is made shall not be subject to Rhode  
7 Island sales or use taxes. The periods of sales tax holidays shall occur as follows:

8 (1) Memorial Day sales tax holiday period. In 2013, there shall be a sales tax holiday  
9 period commencing on Tuesday, May 21, 2013, and extending through to and including Tuesday,  
10 May 28, 2013. Thereafter in each succeeding calendar year there shall be a sales tax holiday  
11 commencing on the Tuesday before Memorial Day and extending through to and including the  
12 Tuesday immediately following Memorial Day.

13 (2) Fourth of July sales tax holiday period. In 2013, there shall be a sales tax holiday  
14 period commencing on Sunday, June 23, 2013, and extending through to and including  
15 Wednesday, July 3, 2013. Thereafter in each succeeding calendar year there shall be a sales tax  
16 holiday commencing on June 23<sup>rd</sup> and extending through to and including July 3<sup>rd</sup>.

17 (3) Labor Day sales tax holiday period. In 2013, there shall be a sales tax holiday period  
18 commencing on Tuesday, August 27, 2013, and extending through to and including Tuesday,

1 September 3, 2013. Thereafter in each succeeding calendar year, there shall be a sales tax holiday  
2 commencing on the Tuesday before Labor Day and extending through to and including the  
3 Tuesday immediately following Labor Day.

4 (4) Thanksgiving Day sales tax holiday period. In 2013, there shall be a sales tax holiday  
5 period commencing on Tuesday, November 19, 2013, and extending through to and including  
6 Friday, November 29, 2013. Thereafter in each succeeding calendar year there shall be a sales tax  
7 holiday commencing nine (9) days before Thanksgiving and extending through to and including  
8 the Friday immediately following Thanksgiving.

9 (5) Winter holidays sales tax holiday period. In 2013, there shall be a sales tax holiday  
10 period commencing on Wednesday, December 11, 2013, and extending through to and including  
11 Tuesday, December 31, 2013. Thereafter in each succeeding calendar year there shall be a sales  
12 tax holiday commencing on December 11<sup>th</sup> and extending through to and including December  
13 31<sup>st</sup>.

14 (b) The exemption only applies to sales of alcoholic beverages which are not to be  
15 consumed on the premises where the purchase is made. As used herein, the term “alcoholic  
16 beverage” means any liquid which either by itself or by mixture with any other liquid or liquids is  
17 or may become fit for human consumption as a drink and which contains five-tenths of one  
18 percent (.5%) or more of alcohol by weight.

19 (c) Purchases by corporations or other businesses and purchases by individuals for  
20 business of alcoholic beverages use remain taxable for sales and/or use taxes.

21 (d) When the total sale price the alcoholic beverages purchased by a single purchaser is  
22 greater than two thousand five hundred dollars (\$2,500), sales and/or use tax is due on the entire  
23 price charged for the items. The sale price is not reduced by the threshold amount.

24 (e) Sales tax may only be refunded to a retail customer on returns within ninety (90) days  
25 of the sale.

26 (f) Customers who are erroneously charged sales tax by a vendor for an exempt purchase  
27 should take his/her tax paid receipt to the vendor to obtain a refund. If the vendor has remitted the  
28 erroneously collected tax to the division of taxation, the vendor may file an application for  
29 abatement of the erroneously collected tax within three (3) years upon satisfactory evidence that  
30 the vendor has credited or refunded the tax to the purchaser.

31 (g) All Rhode Island businesses normally making sales of alcoholic beverages to  
32 individuals for personal use and not for consumption on the premises where the sale is made and  
33 that are open during the sales tax holiday must participate in the sales tax holiday.

34 (h) Notwithstanding any provisions of the general laws to the contrary, including, but not

1 [limited to, any prohibition on advertising, merchants shall be able to advertise and promote the](#)  
2 [sales tax holiday periods.](#)

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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1           This act would provide for several periods during the year where there would be a sales  
2 and use tax holiday on the purchase of alcoholic beverages which are not to be consumed on the  
3 premises of the place of purchase.

4           This act would take effect upon passage.

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