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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO TAXATION - LEASE PAYMENTS

Introduced By: Representatives Corvese, Azzinaro, and Malik

Date Introduced: February 12, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-18-8 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 **44-18-8. Retail sale or sale at retail defined.** – (a) A "retail sale" or "sale at retail"  
4 means any sale, lease or rentals of tangible personal property, prewritten computer software  
5 delivered electronically or by load and leave, or services as defined in section 44-18-7.3 for any  
6 purpose other than resale, sublease or subrent in the regular course of business. The sale of  
7 tangible personal property to be used for purposes of rental in the regular course of business is  
8 considered to be a sale for resale. In regard to telecommunications service as defined in section  
9 44-18-7(9), retail sale does not include the purchase of telecommunications service by a  
10 telecommunications provider from another telecommunication provider for resale to the ultimate  
11 consumer; provided, that the purchaser submits to the seller a certificate attesting to the  
12 applicability of this exclusion, upon receipt of which the seller is relieved of any tax liability for  
13 the sale.

14 (b) That portion of the lease payment on a motor vehicle collected for the purpose of  
15 satisfying the excise tax assessed on the vehicle by a city or town shall not be subject to sales tax.

16 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 exempt from the state sales tax that portion of the motor vehicle lease
- 2           payment collected by the lessor to pay a city or town excise tax on the vehicle.
- 3           This act would take effect upon passage.

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