

2016 -- H 7788

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LC005116  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO TAXATION - RHODE ISLAND SALES AND USE TAX REIMBURSEMENT  
ACT

Introduced By: Representatives Tobon, Amore, Carnevale, Shekarchi, and Marshall

Date Introduced: March 02, 2016

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 19.1

4 RHODE ISLAND SALES AND USE TAX REIMBURSEMENT ACT

5 **44-19.1-1. Short title.** -- This chapter shall be known and may be cited as the "Rhode  
6 Island Sales and Use Tax Reimbursement Act."

7 **44-19.1-2. Purpose.** -- The purpose of this chapter is to provide partial relief to the  
8 taxpayers of this state from the sales and use tax and to benefit education in the localities where  
9 purchases subject to the sales and use tax are recorded.

10 **44-19.1-3. Reimbursement.** -- (a) Whenever the projected revenue collected from the  
11 sales and use tax is exceeded during any fiscal year, the tax administrator shall immediately  
12 reduce the sales tax rate by one percent (1%) until the end of the fiscal year to encourage  
13 taxpayers to make purchases within the state.

14 (b) Additionally, one percent (1%) of the amount collected in excess of the projected  
15 revenue shall be distributed to the city or town where the purchase originated after the reduction  
16 of the sales tax rate in subsection (a) of this section for the purpose of aid to the local public  
17 education system.

18 **44-19.1-4. Statements, returns, and rules and regulations.** -- Every business entity

1 [required to collect the sales and use tax pursuant to a sales tax permit issued by the division of](#)  
2 [taxation shall render statements, make returns and comply with all rules and regulations as the tax](#)  
3 [administrator, with the approval of the director of the department of revenue, may from time to](#)  
4 [time prescribe.](#)

5           SECTION 2. This act shall take effect upon passage and apply to fiscal year 2017 and  
6 annually thereafter.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO TAXATION - RHODE ISLAND SALES AND USE TAX REIMBURSEMENT  
ACT

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1           This act would provide that in the event sales and use tax revenue exceeds projections,  
2 then in such event the tax administrator shall reduce the sales tax rate by one percent (1%) until  
3 the end of the fiscal year. This act would further provide that one percent (1%) of the sales and  
4 use tax revenue collected in excess of projected revenue shall be distributed to the municipalities  
5 after the aforementioned reduction for the purpose of aid to local school systems.

6           This act would take effect upon passage and would apply to fiscal year 2017 and annually  
7 thereafter.

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