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## ARTICLE 5

### RELATING TO TAXES, REVENUES AND FEES

SECTION 1. Effective October 1, 2019, section 11-47-39 of the General Laws in Chapter 11-47 entitled "Weapons" is hereby amended to read as follows:

**11-47-39. Issuance and conditions of dealer's license.**

The duly constituted licensing authorities of any city, town, or political subdivision of this state may grant licenses in form prescribed by the attorney general effective for not more than one year from date of issue permitting the licensee to sell pistols and revolvers at retail within this state, subject to the following conditions in addition to those specified in §§ 11-47-35 and 11-47-36, for breach of any of which the license shall be forfeited and the licensee subject to punishment as provided in this chapter:

(1) The business shall be carried on only in the building designated in the license.

(2) The license or a copy of it, certified by the issuing authority, shall be displayed on the premises where it can easily be read.

(3) No pistol or revolver shall be sold in violation of any provision of this chapter, nor shall a pistol or revolver be sold under any circumstances unless the purchaser is personally known to the seller or shall present clear evidence of his or her identity.

(4) The fee for issuing the license shall be five dollars (\$5.00). The fee charged for the issuing of the license shall be applied for the use and benefit of the city or town.

(5) The licensee has demonstrated compliance with the division of taxation, department of revenue, as determined by its tax administrator, carried out and defined by promulgated rules and regulations issued by the division of taxation.

SECTION 2. Section 19-14-4 of the General Laws in Chapter 19-14 entitled "Licensed Activities" is hereby amended to read as follows:

**19-14-4. Annual fee.**

(a) Each licensee shall pay an annual license fee as follows:

(1) Each small-loan lender license and each branch certificate, the sum of five hundred fifty dollars (\$550);

(2) Each loan-broker license and each branch certificate, the sum of five hundred fifty dollars (\$550);

1 (3) Each lender license and each branch certificate, the sum of one thousand one hundred  
2 dollars (\$1,100);

3 (4) Each sale of checks license, the sum of three hundred sixty dollars (\$360);

4 (5) Each check cashing license, the sum of three hundred sixty dollars (\$360);

5 (6) Each electronic money transfer license, the sum of three hundred sixty dollars (\$360);

6 (7) Each registration to provide debt-management services, the sum of two hundred dollars  
7 (\$200);

8 (8) Each mortgage-loan originator license, the sum of ~~one~~ four hundred dollars (~~\$100~~ 400);  
9 and

10 (9) Each third-party loan-servicer license and each branch certificate, the sum of one  
11 thousand one hundred dollars (\$1,100).

12 (b) Any licensee who shall not pay the annual fee by December 31 of each year shall be  
13 subject to a daily penalty of twenty-five dollars (\$25) per day, subject to a maximum of seven  
14 hundred fifty dollars (\$750). The penalty shall be paid to the director to, and for the use of, the  
15 state. The penalty may be waived for good cause by the director, or the director's designee, upon  
16 written request.

17 SECTION 3. Section 19-14.9-12 of the General Laws in Chapter 19-14.9 entitled "Rhode  
18 Island Fair Debt Collection Practices Act" is hereby amended to read as follows:

19 **19-14.9-12. Registration required.**

20 (1) After July 1, 2008, no person shall engage within this state in the business of a debt  
21 collector, or engage in soliciting the right to collect or receive payment for another of an account,  
22 bill, or other indebtedness, or advertise for or solicit in print the right to collect or receive payment  
23 for another of an account, bill, or other indebtedness, without first registering with the director, or  
24 the director's designee.

25 (2) The application for registration shall be in writing; shall contain information as the  
26 director may determine; and shall be accompanied by a registration fee of ~~one~~ five hundred dollars  
27 (~~\$100~~ 500).

28 (3) The registration shall be for a period of one year. Each registration shall plainly state  
29 the name of the registrant and the city or town with the name of the street and number, if any, of  
30 the place where the business is to be carried on; provided that the business shall at all times be  
31 conducted in the name of the registrant as it appears on the registration.

32 (4) No person registered to act within this state as a debt collector shall do so under any  
33 other name or at any other place of business than that named in the registration. The registration  
34 shall be for a single location but may, with notification to the director, be moved to a different

1 location. A registration shall not be transferable or assignable.

2 (5) This section shall not apply:

3 (a) To the servicer of a debt by a mortgage; or

4 (b) To any debt collector located out of this state, provided that the debt collector:

5 (1) Is collecting debts on behalf of an out-of-state creditor for a debt that was incurred out  
6 of state; and

7 (2) Only collects debts in this state using interstate communication methods, including  
8 telephone, facsimile, or mail.

9 (c) To any regulated institution as defined under § 19-1-1, national banking association,  
10 federal savings bank, federal savings and loan association, federal credit union, or any bank, trust  
11 company, savings bank, savings and loan association, or credit union organized under the laws of  
12 this state, or any other state of the United States, or any subsidiary of the above; but except as  
13 provided herein, this section shall apply to a subsidiary or affiliate, as defined by the director, of an  
14 exempted entity and of a bank holding company established in accordance with state or federal law.

15 SECTION 4. Sections 23-1-55, 23-1-56, 23-1-57 and 23-1-58 of the General Laws in  
16 Chapter 23-1 entitled "Department of Health" are hereby repealed.

17 ~~**23-1-55. Electronic nicotine delivery system distributor, and dealer licenses required**~~

18 ~~**--Definitions:**~~

19 ~~Definitions. Whenever used in §§ 23-1-56 to 23-1-58, unless the context requires~~  
20 ~~otherwise:~~

21 ~~(1) "Dealer" means any person, whether located within or outside of this state, who sells~~  
22 ~~or distributes electronic nicotine delivery system products to a consumer in this state;~~

23 ~~(2) "Distributor" means any person:~~

24 ~~(i) Whether located within or outside of this state, other than a dealer, who sells or~~  
25 ~~distributes electronic nicotine delivery system products within or into this state. Such term shall~~  
26 ~~not include any electronic nicotine delivery system products manufacturer, export warehouse~~  
27 ~~proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine~~  
28 ~~delivery system products in this state only to licensed distributors or to an export warehouse~~  
29 ~~proprietor or another manufacturer with a valid permit;~~

30 ~~(ii) Selling electronic nicotine delivery system products directly to consumers in this state~~  
31 ~~by means of at least twenty five (25) electronic nicotine delivery system product vending~~  
32 ~~machines;~~

33 ~~(iii) Engaged in this state in the business of manufacturing electronic nicotine delivery~~  
34 ~~system products or any person engaged in the business of selling electronic nicotine delivery~~

1 ~~system products to dealers, or to other persons, for the purpose of resale only; provided that seventy-~~  
2 ~~five percent (75%) of all electronic nicotine delivery system products sold by that person in this~~  
3 ~~state are sold to dealers or other persons for resale and selling electronic nicotine delivery system~~  
4 ~~products directly to at least forty (40) dealers or other persons for resale; or~~

5 ~~(iv) Maintaining one or more regular places of business in this state for that purpose;~~  
6 ~~provided, that seventy five percent (75%) of the sold electronic nicotine delivery system products~~  
7 ~~are purchased directly from the manufacturer and selling electronic nicotine delivery system~~  
8 ~~products directly to at least forty (40) dealers or other persons for resale;~~

9 ~~(3) "Electronic nicotine delivery system" means the products as defined in § 11-9-13.4(15).~~

10 ~~**23-1-56. License.**~~

11 ~~(a) Each person engaging in the business of selling electronic nicotine delivery system~~  
12 ~~products in the state, including any distributor or dealer, shall secure a license annually from the~~  
13 ~~department before engaging in that business or continuing to engage in it. A separate application~~  
14 ~~and license is required for each place of business operated by a distributor or dealer. If the applicant~~  
15 ~~for a license does not have a place of business in this state, the license shall be issued for such~~  
16 ~~applicant's principal place of business, wherever located. A licensee shall notify the department~~  
17 ~~within thirty (30) days in the event that it changes its principal place of business. A separate license~~  
18 ~~is required for each class of business if the applicant is engaged in more than one of the activities~~  
19 ~~required to be licensed by this section. No person shall maintain or operate, or cause to be operated,~~  
20 ~~a vending machine for electronic nicotine delivery systems without procuring a dealer's license for~~  
21 ~~each machine.~~

22 ~~(b) The director shall have authority to set a reasonable fee not to exceed twenty five~~  
23 ~~dollars (\$25.00) for the issuance of the license.~~

24 ~~(c) Each issued license shall be prominently displayed on the premises, if any, covered by~~  
25 ~~the license.~~

26 ~~(d) The director shall create and maintain a website setting forth the identity of all licensed~~  
27 ~~persons under this section, itemized by type of license possessed, and shall update the site no less~~  
28 ~~frequently than six (6) times per year.~~

29 ~~(e) A manufacturer or importer may sell or distribute electronic nicotine delivery systems~~  
30 ~~to a person located or doing business within the state only if such person is a licensed distributor.~~  
31 ~~An importer may obtain electronic nicotine delivery systems only from a licensed manufacturer. A~~  
32 ~~distributor may sell or distribute electronic nicotine delivery systems to a person located or doing~~  
33 ~~business within this state only if such person is a licensed distributor or dealer. A distributor may~~  
34 ~~obtain electronic nicotine delivery systems only from a licensed manufacturer, importer, or~~

~~1 distributor. A dealer may obtain electronic nicotine delivery systems only from a licensed  
2 distributor.~~

~~3 (f)(1) No license under this chapter may be granted, maintained, or renewed if the  
4 applicant, or any combination of persons owning directly or indirectly any interests in the applicant:~~

~~5 (i) Is delinquent in any tax filings for one month or more; or~~

~~6 (ii) Had a license under this chapter revoked within the past two (2) years.~~

~~7 (2) No person shall apply for a new license, or renewal of a license and no license shall be  
8 issued or renewed for any person, unless all outstanding fines, fees, or other charges relating to any  
9 license held by that person have been paid.~~

~~10 (3) No license shall be issued relating to a business at any specific location until all prior  
11 licenses relating to that location have been officially terminated and all fines, fees, or charges  
12 relating to the prior licenses have been paid or otherwise resolved or if the director has found that  
13 the person applying for the new license is not acting as an agent for the prior licensee who is subject  
14 to any such related fines, fees, or charges that are still due. Evidence of such agency status includes,  
15 but is not limited to, a direct familial relationship and/or employment, contractual, or other formal  
16 financial or business relationship with the prior licensee.~~

~~17 (4) No person shall apply for a new license pertaining to a specific location in order to  
18 evade payment of any fines, fees, or other charges relating to a prior license for that location.~~

~~19 (5) No new license shall be issued for a business at a specific location for which a license  
20 has already issued unless there is a bona fide, good faith change in ownership of the business at  
21 that location.~~

~~22 (6) No license or permit shall be issued, renewed or maintained for any person, including  
23 the owners of the business being licensed, who has been convicted of violating any criminal law  
24 relating to tobacco products and/or electronic nicotine delivery system products, the payment of  
25 taxes, or fraud, or has been ordered to pay civil fines of more than twenty five thousand dollars  
26 (\$25,000) for violations of any civil law relating to tobacco products and/or electronic nicotine  
27 delivery system products, the payment of taxes, or fraud.~~

~~28 **23-1-57. Penalties for unlicensed business.**~~

~~29 Any distributor or dealer who sells, offers for sale, or possesses with intent to sell,  
30 electronic nicotine delivery system products without a license as provided in § 23-1-56, shall be  
31 fined in accordance with the provisions of, and the penalties contained in, § 23-1-58.~~

~~32 **23-1-58. Penalty for operating without a dealer license.**~~

~~33 (a) Any individual or business who violates this chapter by selling or conveying an  
34 electronic nicotine delivery system product without a retail license shall be cited for that violation~~

1 ~~and shall be required to appear in district court for a hearing on the citation.~~

2 ~~(b) Any individual or business cited for a violation hereunder shall:~~

3 ~~(1) Either post a five hundred dollar (\$500) bond with the district court within ten (10) days~~  
4 ~~of the citation; or~~

5 ~~(2) Sign and accept the citation indicating a promise to appear in court.~~

6 ~~(c) An individual or business who or that has accepted the citation may:~~

7 ~~(1) Pay the five hundred dollar (\$500) fine, either by mail or in person, within ten (10) days~~  
8 ~~after receiving the citation; or~~

9 ~~(2) If that individual or business has posted a bond, forfeit the bond by not appearing at the~~  
10 ~~scheduled hearing. If the individual or business cited pays the five hundred dollar (\$500) fine or~~  
11 ~~forfeits the bond, that individual or business is deemed to have admitted the cited violation and to~~  
12 ~~have waived the right to a hearing on the issue of commission on the violation.~~

13 ~~(d) The court, after a hearing on a citation, shall make a determination as to whether a~~  
14 ~~violation has been committed. If it is established that the violation did occur, the court shall impose~~  
15 ~~a five hundred dollar (\$500) fine in addition to any court costs or fees.~~

16 SECTION 5. Sections 28-43-8.1 and 28-43-29 of the General Laws in Chapter 28-43  
17 entitled "Employment Security - Contributions" are hereby amended to read as follows:

18 **28-43-8.1. Time and manner of payment of employer contributions.**

19 Contributions [and assessments](#) required under this chapter for each year shall be paid by  
20 each employer in the manner and at the times that the director may prescribe.

21 **28-43-29. Liability for contributions and election of reimbursement.**

22 (a) Any nonprofit organization or governmental entity which is or becomes subject to  
23 chapters 42 -- 44 of this title on or after January 1, 1978, shall pay contributions under the provisions  
24 of chapters 42 -- 44 of this title, unless it elects, in accordance with this section, to pay to the director  
25 for the employment security fund the full amount of regular benefits paid plus the full amount of  
26 the extended benefits paid, less any federal payments to the state under § 204 of the Federal-State  
27 Extended Unemployment Compensation Act of 1970, that are attributable to service in the employ  
28 of that nonprofit organization or governmental entity to individuals for weeks of unemployment  
29 which begin during the effective period of that election; provided, that for weeks of unemployment  
30 beginning on or after January 1, 1979, governmental entities which have elected reimbursement  
31 shall be responsible for reimbursing the employment security fund for the full amount of extended  
32 benefits paid that is attributable to service in the employ of those entities.

33 (b) Any nonprofit organization or governmental entity which is or becomes subject to  
34 chapters 42 -- 44 of this title on January 1, 1978, may elect to become liable for payments in lieu

1 of contributions for a period of not less than the 1978 tax year and the next ensuing tax year  
2 provided it files with the director a written notice of its election within the thirty (30) day period  
3 immediately following January 1, 1978.

4 (c) Any nonprofit organization or governmental entity which becomes subject to chapters  
5 42 -- 44 of this title after January 1, 1978, may elect to become liable for payments in lieu of  
6 contributions for a period of not less than the balance of the tax year beginning with the date on  
7 which that subjectivity begins and the next ensuing tax year by filing a written notice of its election  
8 with the director not later than thirty (30) days immediately following the date of the determination  
9 of that subjectivity.

10 (d) Any nonprofit organization or governmental entity which makes an election in  
11 accordance with subsection (b) or (c) of this section will continue to be liable for payments in lieu  
12 of contributions until it files with the director a written notice terminating its election not later than  
13 thirty (30) days prior to the beginning of the tax year for which that termination shall first be  
14 effective. The nonprofit organization or governmental entity shall thereafter be liable for the  
15 payment of contributions for not less than that tax year and the next ensuing tax year before another  
16 election can be exercised.

17 (e) Any nonprofit organization or governmental entity which has been paying contributions  
18 under chapters 42 -- 44 of this title for a period subsequent to January 1, 1978, may change to a  
19 reimbursable basis by filing with the director not later than thirty (30) days prior to the beginning  
20 of any tax year a written notice of election to become liable for payments in lieu of contributions.  
21 That election shall not be terminable by the organization or entity for that tax year and for the next  
22 ensuing tax year.

23 (f) The director may for good cause extend the period within which a notice of election, or  
24 a notice of termination, must be filed and may permit an election to be retroactive but not any earlier  
25 than with respect to benefits paid on or after January 1, 1978.

26 (g) The director, in accordance with any procedures that he or she may prescribe, shall  
27 notify each nonprofit organization or governmental entity of any determination which may be made  
28 of its status as an employer and of the effective date of any election which it makes and of any  
29 termination of that election. Any determination shall be conclusive on the organization or the entity  
30 unless within fifteen (15) days after notice of the determination has been mailed or otherwise  
31 delivered to it, an appeal is made to the board of review in writing in accordance with the provisions  
32 of § 28-43-14.

33 (h) Effective January 1, 2020, notwithstanding the foregoing, any nonprofit organization,  
34 not including governmental entities, employing not less than one thousand (1,000) employees shall

1 [be subject to the job development assessment as prescribed in § 28-43-8.5. The director is](#)  
2 [authorized to promulgate regulations to administer this assessment.](#)

3 SECTION 6. Section 31-3-6 of the General Laws in Chapter 31-3 entitled "Registration of  
4 Vehicles" is hereby amended to read as follows:

5 **31-3-6. List of vehicles on which taxes delinquent -- Denial of registration. ~~Effective~~**  
6 **January 1, 2019.**

7 (a) On or before October 31 in each year, the collector of taxes of each city or town ~~shall~~  
8 [may](#) furnish the division of motor vehicles, with a listing showing the registration plate numbers,  
9 names, and addresses of the taxpayers of the city or town whose personal property and/or excise  
10 tax on motor vehicles, the assessment of which were made the prior December 31 in the case of the  
11 property tax, and the tax levied in the current year in the case of the excise tax, remained unpaid as  
12 of the date of the list, [and shall remit to the division of motor vehicles a five-dollar \(\\$ 5.00\) fee for](#)  
13 [each taxpayer](#). Subsequently, the collector of taxes in each city or town shall, at the times and in  
14 the manner prescribed by the administrator of the division of motor vehicles, furnish to the division  
15 of motor vehicles the names and addresses of those persons whose names appeared on that list who  
16 have subsequently paid the personal property, and/or excise taxes on motor vehicles, and the  
17 division shall remove from the list the names and addresses of those persons. No city or town  
18 treasurer or tax collector shall refuse to accept personal property, and/or excise taxes on a motor  
19 vehicle, or refuse to remove the names and addresses of the owners of the vehicle from the list  
20 because of any other taxes owing the city or town. No person, corporation, partnership, joint stock  
21 company, or association whose name appears on the list and whose name has not been subsequently  
22 removed from the list shall be permitted to register any motor vehicle until all the excise and  
23 attendant penalties have been paid in full and the payment has been certified to the division of  
24 motor vehicles by the tax collector. The provisions of this section shall not be construed so as to  
25 prevent the payment of taxes on motor vehicles in quarterly installments as provided in chapter 5  
26 of title 44. The provisions of this section shall apply in all respects in the case of taxes assessed  
27 upon motor vehicles by any fire district. [The division of motor vehicles shall not add to the list the](#)  
28 [names and addresses of taxpayers that are received from any city or town with fees payable under](#)  
29 [this subsection that have been outstanding for more than thirty \(30\) days until such fees are paid in](#)  
30 [full.](#)

31 (b) The division of motor vehicles (the "division") shall provide a written notice to those  
32 persons or other taxpayers (the "person") whose name appears on the list generated in accordance  
33 with the provisions of subsection (a). This notice shall include:

34 (1) The name of the municipality or other entity providing the person's name to the division;



1 and

2 (2) A statement that the person identified on the list shall not be permitted to register any  
3 motor vehicle until the tax matter has been resolved and the person's name is removed from the list  
4 as provided for under subsection (a).

5 SECTION 7. Effective July 1, 2019, Sections 42-63.1-3 and 42-63.1-12 of the General  
6 Laws in Chapter 42-63.1 entitled "Tourism and Development" are hereby amended to read as  
7 follows:

8 **42-63.1-3. Distribution of tax.**

9 (a) For returns and tax payments received on or before December 31, 2015, except as  
10 provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax  
11 collected from residential units offered for tourist or transient use through a hosting platform, shall  
12 be distributed as follows by the division of taxation and the city of Newport:

13 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as  
14 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel  
15 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,  
16 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district  
17 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater  
18 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided  
19 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)  
20 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau  
21 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the  
22 Convention Authority of the city of Providence established pursuant to the provisions of chapter  
23 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the  
24 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the receipts  
25 attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island  
26 commerce corporation as established in chapter 64 of title 42.

27 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the  
28 hotel, which generated the tax, is physically located, to be used for whatever purpose the city or  
29 town decides.

30 (3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce  
31 corporation established in chapter 64 of title 42, and seven percent (7%) to the Greater Providence-  
32 Warwick Convention and Visitors' Bureau.

33 (b) For returns and tax payments received after December 31, 2015, except as provided in  
34 § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from

1 residential units offered for tourist or transient use through a hosting platform, shall be distributed  
2 as follows by the division of taxation and the city of Newport:

3 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-  
4 63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-  
5 five (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is  
6 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick  
7 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent (28%) of  
8 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title  
9 42.

10 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,  
11 twenty eight percent (28%) of the tax shall be given to the Providence district, twenty-five percent  
12 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is  
13 physically located, twenty-three (23%) of the tax shall be given to the Greater Providence-Warwick  
14 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of the tax shall  
15 be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

16 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,  
17 twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent  
18 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is  
19 physically located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-  
20 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of  
21 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title  
22 42.

23 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,  
24 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which  
25 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater  
26 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy  
27 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in  
28 chapter 64 of title 42.

29 (5) With respect to the tax generated by hotels in districts other than those set forth in  
30 subdivisions (b)(1) through (b)(4), forty-two percent (42%) of the tax shall be given to the regional  
31 tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%)  
32 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically  
33 located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention  
34 and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of the tax shall be given

1 to the Rhode Island commerce corporation established in chapter 64 of title 42.

2 (c) The proceeds of the hotel tax collected from residential units offered for tourist or  
3 transient use through a hosting platform shall be distributed as follows by the division of taxation  
4 and the city of Newport: ~~twenty-five percent (25%)~~ twenty and eight tenths percent (20.8%) of the  
5 tax shall be given to the city or town where the residential unit, which generated the tax, is  
6 physically located, sixteen and seven tenths percent (16.7%) of the tax shall be given to general  
7 revenue, and ~~seventy-five percent (75%)~~ sixty-two and one half percent (62.5%) of the tax shall be  
8 given to the Rhode Island commerce corporation established in chapter 64 of title 42.

9 (d) The Rhode Island commerce corporation shall be required in each fiscal year to spend  
10 on the promotion and marketing of Rhode Island as a destination for tourists or businesses an  
11 amount of money of no less than the total proceeds of the hotel tax it receives pursuant to this  
12 chapter for such fiscal year.

13 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments  
14 received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-63.1-  
15 12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential  
16 units offered for tourist or transient use through a hosting platform, shall be distributed in  
17 accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of this  
18 section by the division of taxation and the city of Newport.

19 (f) For returns and tax payments received on or after July 1, 2018 and on or before June  
20 30, 2019, except as provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion  
21 of the hotel tax collected from residential units offered for tourist or transient use through a hosting  
22 platform, shall be distributed as follows by the division of taxation and the city of Newport:

23 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-  
24 63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-  
25 five (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is  
26 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick  
27 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent (25%) of the  
28 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

29 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,  
30 thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent (25%)  
31 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically  
32 located, twenty-four (24%) of the tax shall be given to the Greater Providence-Warwick  
33 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall  
34 be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

1 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,  
2 thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%)  
3 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically  
4 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick  
5 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall  
6 be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

7 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,  
8 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which  
9 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater  
10 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy  
11 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in  
12 chapter 64 of title 42.

13 (5) With respect to the tax generated by hotels in districts other than those set forth in  
14 subdivisions (b)(1) through (b)(4), forty-five percent (45%) of the tax shall be given to the regional  
15 tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%)  
16 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically  
17 located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention  
18 and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of the tax shall be given to  
19 the Rhode Island commerce corporation established in chapter 64 of title 42.

20 (g) For returns and tax payments received on or after July 1, 2019, except as provided in §  
21 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from  
22 residential units offered for tourist or transient use through a hosting platform, shall be distributed  
23 as follows by the division of taxation and the city of Newport:

24 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-  
25 63.1-5, thirty-seven and one half percent (37.5%) of the tax shall be given to the Aquidneck Island  
26 district, twenty and eight tenths percent (20.8%) of the tax shall be given to the city or town where  
27 the hotel, which generated the tax, is physically located, four and two tenths percent (4.2%) of the  
28 tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established  
29 in § 42-63.1-11, sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General  
30 Revenue, and twenty and eight tenths percent (20.8%) of the tax shall be given to the Rhode Island  
31 commerce corporation established in chapter 64 of title 42.

32 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,  
33 twenty-five percent (25%) of the tax shall be given to the Providence district, twenty and eight  
34 tenths percent (20.8%) of the tax shall be given to the city or town where the hotel, which generated

1 the tax, is physically located, twenty percent (20%) of the tax shall be given to the Greater  
2 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, sixteen and  
3 seven tenths percent (16.7%) of the tax shall be transferred to General Revenue, and seventeen and  
4 one half percent (17.5%) of the tax shall be given to the Rhode Island commerce corporation  
5 established in chapter 64 of title 42.

6 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,  
7 twenty-five percent (25%) of the tax shall be given to the Warwick District, twenty and eight tenths  
8 percent (20.8%) of the tax shall be given to the city or town where the hotel, which generated the  
9 tax, is physically located, twenty percent (20%) of the tax shall be given to the Greater Providence-  
10 Warwick Convention and Visitors Bureau established in § 42-63.1-11, sixteen and seven tenths  
11 percent (16.7%) of the tax shall be transferred to General Revenue, and seventeen and one half  
12 percent (17.5%) of the tax shall be given to the Rhode Island commerce corporation established in  
13 chapter 64 of title 42.

14 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,  
15 twenty and eight tenths percent (20.8%) of the tax shall be given to the city or town where the hotel,  
16 which generated the tax, is physically located, four and two tenths percent (4.2%) of the tax shall  
17 be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-  
18 63.1-11, sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General  
19 Revenue, and fifty-eight and three tenths(58.3%) of the tax shall be given to the Rhode Island  
20 commerce corporation established in chapter 64 of title 42.

21 (5) With respect to the tax generated by hotels in districts other than those set forth in  
22 subdivisions (g)(1) through (g)(4), thirty-seven and one half percent (37.5%) of the tax shall be  
23 given to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty  
24 and eight tenths percent (20.8%) of the tax shall be given to the city or town where the hotel, which  
25 generated the tax, is physically located, four and two tenths percent (4.2%) of the tax shall be given  
26 to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11,  
27 sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General Revenue, twenty  
28 and eight tenths percent (20.8%) of the tax shall be given to the Rhode Island commerce corporation  
29 established in chapter 64 of title 42.

30 **42-63.1-12. Distribution of tax to Rhode Island Convention Center Authority.**

31 (a) For returns and tax received on or before December 31, 2015, the proceeds of the hotel  
32 tax generated by any and all hotels physically connected to the Rhode Island Convention Center  
33 shall be distributed as follows: twenty-seven percent (27%) shall be deposited as general revenues;  
34 thirty-one percent (31%) shall be given to the convention authority of the city of Providence; twelve

1 percent (12%) shall be given to the greater Providence-Warwick convention and visitor's bureau;  
2 thirty percent (30%) shall be given to the Rhode Island convention center authority to be used in  
3 the furtherance of the purposes set forth in § 42-99-4.

4 (b) For returns and tax received after December 31, 2015, the proceeds of the hotel tax  
5 generated by any and all hotels physically connected to the Rhode Island Convention Center shall  
6 be distributed as follows: twenty-eight percent (28%) shall be given to the convention authority of  
7 the city of Providence; twelve percent (12%) shall be given to the greater Providence-Warwick  
8 convention and visitor's bureau; and sixty percent (60%) shall be given to the Rhode Island  
9 Commerce Corporation established in chapter 64 of title 42.

10 (c) The Rhode Island Convention Center Authority is authorized and empowered to enter  
11 into contracts with the Greater Providence-Warwick Convention and Visitors' Bureau in the  
12 furtherance of the purposes set forth in this chapter.

13 (d) For returns and tax received on or after July 1, 2018 [and on or before June 30, 2019](#),  
14 the proceeds of the hotel tax generated by any and all hotels physically connected to the Rhode  
15 Island Convention Center shall be distributed as follows: thirty percent (30%) shall be given to the  
16 convention authority of the city of Providence; twenty percent (20%) shall be given to the greater  
17 Providence-Warwick convention and visitor's bureau; and fifty percent (50%) shall be given to the  
18 Rhode Island Commerce Corporation established in chapter 64 of title 42.

19 [\(e\) For returns and tax received on or after July 1, 2019, the proceeds of the hotel tax](#)  
20 [generated by any and all hotels physically connected to the Rhode Island Convention Center shall](#)  
21 [be distributed as follows: twenty-five percent \(25%\) shall be given to the convention authority of](#)  
22 [the city of Providence; sixteen and seven tenths percent \(16.7%\) shall be given to the greater](#)  
23 [Providence-Warwick convention and visitor's bureau; sixteen and seven tenths percent \(16.7%\) of](#)  
24 [the tax shall be given to General Revenue; and forty-one and six tenths percent \(41.6%\) shall be](#)  
25 [given to the Rhode Island Commerce Corporation established in chapter 64 of title 42.](#)

26 SECTION 8. Section 42-142-8 of the General Laws in Chapter 42-142 entitled  
27 "Department of Revenue" is hereby amended to read as follows:

28 **42-142-8. Collection unit.**

29 (a) The director of the department of revenue is authorized to establish within the  
30 department of revenue a collection unit for the purpose of assisting state agencies in the collection  
31 of debts owed to the state. The director of the department of revenue may enter into an agreement  
32 with any state agency(ies) to collect any delinquent debt owed to the state.

33 (b) The director of the department of revenue shall initially implement a pilot program to  
34 assist the agency(ies) with the collection of delinquent debts owed to the state.

1 (c) The agency(ies) participating in the pilot program shall refer to the collection unit  
2 within the department of revenue, debts owed by delinquent debtors where the nature and amount  
3 of the debt owed has been determined and reconciled by the agency and the debt is: (i) The subject  
4 of a written settlement agreement and/or written waiver agreement and the delinquent debtor has  
5 failed to timely make payments under said agreement and/or waiver and is therefore in violation of  
6 the terms of said agreement and/or waiver; (ii) The subject of a final administrative order or  
7 decision and the debtor has not timely appealed said order or decision; (iii) The subject of final  
8 order, judgment or decision of a court of competent jurisdiction and the debtor has not timely  
9 appealed said order, judgment or decision. The collection unit shall not accept a referral of any  
10 delinquent debt unless it satisfies subsection (c)(i), (ii) or (iii) of this section.

11 (d) Any agency(ies) entering into an agreement with the department of revenue to allow  
12 the collection unit of the department to collect a delinquent debt owed to the state shall indemnify  
13 the department of revenue against injuries, actions, liabilities, or proceedings arising from the  
14 collection, or attempted collection, by the collection unit of the debt owed to the state.

15 (e) Before referring a delinquent debt to the collection unit, the agency(ies) must notify the  
16 debtor of its intention to submit the debt to the collection unit for collection and of the debtor's right  
17 to appeal that decision not less than thirty (30) days before the debt is submitted to the collection  
18 unit.

19 (f) At such time as the agency(ies) refers a delinquent debt to the collection unit, the agency  
20 shall: (i) Represent in writing to the collection unit that it has complied with all applicable state and  
21 federal laws and regulations relating to the collection of the debt, including, but not limited to, the  
22 requirement to provide the debtor with the notice of referral to the collection unit under subsection  
23 (e) of this section; and (ii) Provide the collection unit personnel with all relevant supporting  
24 documentation including, but not limited to, notices, invoices, ledgers, correspondence,  
25 agreements, waivers, decisions, orders, and judgments necessary for the collection unit to attempt  
26 to collect the delinquent debt.

27 (g) The referring agency(ies) shall assist the collection unit by providing any and all  
28 information, expertise, and resources deemed necessary by the collection unit to collect the  
29 delinquent debts referred to the collection unit.

30 (h) Upon receipt of a referral of a delinquent debt from an agency(ies), the amount of the  
31 delinquent debt shall accrue interest at ~~the an~~ annual rate of interest established by law for the  
32 referring agency or at an annual rate of 13%, whichever percentage rate is greater. ~~with such rate~~  
33 ~~determined by adding two percent (2%) to the prime rate which was in effect on October 1 of the~~  
34 ~~preceding year; provided however, in no event shall the rate of interest exceed twenty one percent~~

1 ~~(21%) per annum nor be less than eighteen percent (18%) per annum.~~

2 (i) Upon receipt of a referral of a delinquent debt from the agency(ies), the collection unit  
3 shall provide the delinquent debtor with a "Notice of Referral" advising the debtor that:

4 (1) The delinquent debt has been referred to the collection unit for collection; and

5 (2) The collection unit will initiate, in its names, any action that is available under state law  
6 for the collection of the delinquent debt, including, but not limited to, referring the debt to a third  
7 party to initiate said action.

8 (j) Upon receipt of a referral of a delinquent debt from an agency(ies), the director of the  
9 department of revenue shall have the authority to institute, in its name, any action(s) that are  
10 available under state law for collection of the delinquent debt and interest, penalties, and/or fees  
11 thereon and to, with or without suit, settle the delinquent debt.

12 (k) In exercising its authority under this section, the collection unit shall comply with all  
13 state and federal laws and regulations related to the collection of debts.

14 (l) Upon the receipt of payment from a delinquent debtor, whether a full or partial payment,  
15 the collection unit shall disburse/deposit the proceeds of said payment in the following order:

16 (1) To the appropriate federal account to reimburse the federal government funds owed to  
17 them by the state from funds recovered; and

18 (2) The balance of the amount collected to the referring agency.

19 (m) Notwithstanding the above, the establishment of a collection unit within the department  
20 of revenue shall be contingent upon an annual appropriation by the general assembly of amounts  
21 necessary and sufficient to cover the costs and expenses to establish, maintain, and operate the  
22 collection unit including, but not limited to, computer hardware and software, maintenance of the  
23 computer system to manage the system, and personnel to perform work within the collection unit.

24 (n) In addition to the implementation of any pilot program, the collection unit shall comply  
25 with the provisions of this section in the collection of all delinquent debts under this section.

26 (o) The department of revenue is authorized to promulgate rules and regulations as it deems  
27 appropriate with respect to the collection unit.

28 (p) By September 1, 2020, and each year thereafter, the department of revenue shall  
29 specifically assess the performance, effectiveness, and revenue impact of the collections associated  
30 with this section, including, but not limited to, the total amounts referred and collected by each  
31 referring agency during the previous state fiscal year to the governor, the speaker of the house of  
32 representatives, the president of the senate, the chairpersons of the house and senate finance  
33 committees, and the house and senate fiscal advisors. Such report shall include the net revenue  
34 impact to the state of the collection unit.



1 (q) No operations of a collection unit pursuant to this chapter shall be authorized after June  
2 30, 2021.

3 SECTION 9. Sections 44-18-7, 44-18-7.1, 44-18-7.3, 44-18-8, 44-18-15, 44-18-15.2, 44-  
4 18-20, 44-18-21, 44-18-22, 44-18-23, 44-18-25 and 44-18-30 of the General Laws in Chapter 44-  
5 18 entitled "Sales and Use Taxes - Liability and Computation" are hereby amended to read as  
6 follows:

7 **44-18-7. Sales defined.**

8 "Sales" means and includes:

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

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

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

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

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

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

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

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

32 (9)(i) The furnishing for consideration of intrastate, interstate, and international  
33 telecommunications service sourced in this state in accordance with §§ 44-18.1-15 and 44-18.1-16  
34 and all ancillary services, and any maintenance services of telecommunication equipment other

1 than as provided for in § 44-18-12(b)(ii). For the purposes of chapters 18 and 19 of this title only,  
2 telecommunication service does not include service rendered using a prepaid telephone calling  
3 arrangement.

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

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

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

17 (12) The transfer for consideration of prepaid telephone calling arrangements and the  
18 recharge of prepaid telephone calling arrangements sourced to this state in accordance with §§ 44-  
19 18.1-11 and 44-18.1-15. "Prepaid telephone calling arrangement" means and includes prepaid  
20 calling service and prepaid wireless calling service.

21 (13) The sale, storage, use, or other consumption of over-the-counter drugs as defined in §  
22 44-18-7.1(h)(ii).

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

25 (15) The sale, storage, use, or other consumption of vendor-hosted prewritten computer  
26 software as defined in § 44-18-7.1(g)(vii).

27 [\(16\) The sale, storage, use, or other consumption of specified digital products as defined in](#)  
28 [44-18-7.1\(x\).](#)

29 (17~~6~~) The sale, storage, use, or other consumption of medical marijuana as defined in § 21-  
30 28.6-3.

31 (18~~7~~) The furnishing of services in this state as defined in § 44-18-7.3.

32 **44-18-7.1. Additional definitions.**

33 (a) "Agreement" means the streamlined sales and use tax agreement.

34 (b) "Alcoholic beverages" means beverages that are suitable for human consumption and

1 contain one-half of one percent (.5%) or more of alcohol by volume.

2 (c) "Bundled transaction" is the retail sale of two or more products, except real property  
3 and services to real property, where (1) The products are otherwise distinct and identifiable, and  
4 (2) The products are sold for one non-itemized price. A "bundled transaction" does not include the  
5 sale of any products in which the "sales price" varies, or is negotiable, based on the selection by  
6 the purchaser of the products included in the transaction.

7 (i) "Distinct and identifiable products" does not include:

8 (A) Packaging -- such as containers, boxes, sacks, bags, and bottles -- or other materials --  
9 such as wrapping, labels, tags, and instruction guides -- that accompany the "retail sale" of the  
10 products and are incidental or immaterial to the "retail sale" thereof. Examples of packaging that  
11 are incidental or immaterial include grocery sacks, shoeboxes, dry cleaning garment bags, and  
12 express delivery envelopes and boxes.

13 (B) A product provided free of charge with the required purchase of another product. A  
14 product is "provided free of charge" if the "sales price" of the product purchased does not vary  
15 depending on the inclusion of the products "provided free of charge."

16 (C) Items included in the member state's definition of "sales price," pursuant to appendix  
17 C of the agreement.

18 (ii) The term "one non-itemized price" does not include a price that is separately identified  
19 by product on binding sales or other supporting sales-related documentation made available to the  
20 customer in paper or electronic form including, but not limited to, an invoice, bill of sale, receipt,  
21 contract, service agreement, lease agreement, periodic notice of rates and services, rate card, or  
22 price list.

23 (iii) A transaction that otherwise meets the definition of a "bundled transaction" as defined  
24 above, is not a "bundled transaction" if it is:

25 (A) The "retail sale" of tangible personal property and a service where the tangible personal  
26 property is essential to the use of the service, and is provided exclusively in connection with the  
27 service, and the true object of the transaction is the service; or

28 (B) The "retail sale" of services where one service is provided that is essential to the use or  
29 receipt of a second service and the first service is provided exclusively in connection with the  
30 second service and the true object of the transaction is the second service; or

31 (C) A transaction that includes taxable products and nontaxable products and the "purchase  
32 price" or "sales price" of the taxable products is de minimis.

33 1. De minimis means the seller's "purchase price" or "sales price" of the taxable products  
34 is ten percent (10%) or less of the total "purchase price" or "sales price" of the bundled products.

1           2. Sellers shall use either the "purchase price" or the "sales price" of the products to  
2 determine if the taxable products are de minimis. Sellers may not use a combination of the  
3 "purchase price" and "sales price" of the products to determine if the taxable products are de  
4 minimis.

5           3. Sellers shall use the full term of a service contract to determine if the taxable products  
6 are de minimis; or

7           (D) The "retail sale" of exempt tangible personal property and taxable tangible personal  
8 property where:

9           1. The transaction includes "food and food ingredients", "drugs", "durable medical  
10 equipment", "mobility enhancing equipment", "over-the-counter drugs", "prosthetic devices" (all  
11 as defined in this section) or medical supplies; and

12           2. Where the seller's "purchase price" or "sales price" of the taxable tangible personal  
13 property is fifty percent (50%) or less of the total "purchase price" or "sales price" of the bundled  
14 tangible personal property. Sellers may not use a combination of the "purchase price" and "sales  
15 price" of the tangible personal property when making the fifty percent (50%) determination for a  
16 transaction.

17           (d) "Certified automated system (CAS)" means software certified under the agreement to  
18 calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit  
19 to the appropriate state, and maintain a record of the transaction.

20           (e) "Certified service provider (CSP)" means an agent certified under the agreement to  
21 perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on  
22 its own purchases.

23           (f) Clothing and related items.

24           (i) "Clothing" means all human wearing apparel suitable for general use.

25           (ii) "Clothing accessories or equipment" means incidental items worn on the person or in  
26 conjunction with "clothing." "Clothing accessories or equipment" does not include "clothing",  
27 "sport or recreational equipment", or "protective equipment."

28           (iii) "Protective equipment" means items for human wear and designed as protection of the  
29 wearer against injury or disease or as protections against damage or injury of other persons or  
30 property but not suitable for general use. "Protective equipment" does not include "clothing",  
31 "clothing accessories or equipment", and "sport or recreational equipment."

32           (iv) "Sport or recreational equipment" means items designed for human use and worn in  
33 conjunction with an athletic or recreational activity that are not suitable for general use. "Sport or  
34 recreational equipment" does not include "clothing", "clothing accessories or equipment", and

1 "protective equipment."

2 (g) Computer and related items.

3 (i) "Computer" means an electronic device that accepts information in digital or similar  
4 form and manipulates it for a result based on a sequence of instructions.

5 (ii) "Computer software" means a set of coded instructions designed to cause a "computer"  
6 or automatic data processing equipment to perform a task.

7 (iii) "Delivered electronically" means delivered to the purchaser by means other than  
8 tangible storage media.

9 (iv) "Electronic" means relating to technology having electrical, digital, magnetic, wireless,  
10 optical, electromagnetic, or similar capabilities.

11 (v) "Load and leave" means delivery to the purchaser by use of a tangible storage media  
12 where the tangible storage media is not physically transferred to the purchaser.

13 (vi) "Prewritten computer software" means "computer software," including prewritten  
14 upgrades, that is not designed and developed by the author or other creator to the specifications of  
15 a specific purchaser. The combining of two (2) or more "prewritten computer software" programs  
16 or prewritten portions thereof does not cause the combination to be other than "prewritten computer  
17 software." "Prewritten computer software" includes software designed and developed by the author  
18 or other creator to the specifications of a specific purchaser when it is sold to a person other than  
19 the specific purchaser. Where a person modifies or enhances "computer software" of which the  
20 person is not the author or creator, the person shall be deemed to be the author or creator only of  
21 such person's modifications or enhancements. "Prewritten computer software" or a prewritten  
22 portion thereof that is modified or enhanced to any degree, where such modification or  
23 enhancement is designed and developed to the specifications of a specific purchaser, remains  
24 "prewritten computer software"; provided, however, that where there is a reasonable, separately  
25 stated charge or an invoice or other statement of the price given to the purchaser for such  
26 modification or enhancement, such modification or enhancement shall not constitute "prewritten  
27 computer software."

28 (vii) "Vendor-hosted prewritten computer software" means prewritten computer software  
29 that is accessed through the internet and/or a vendor-hosted server regardless of whether the access  
30 is permanent or temporary and regardless of whether any downloading occurs.

31 (h) Drugs and related items.

32 (i) "Drug" means a compound, substance, or preparation, and any component of a  
33 compound, substance, or preparation, other than "food and food ingredients," "dietary  
34 supplements" or "alcoholic beverages":

1 (A) Recognized in the official United States Pharmacopoeia, official Homeopathic  
2 Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;  
3 or

4 (B) Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease;  
5 or

6 (C) Intended to affect the structure or any function of the body.

7 "Drug" shall also include insulin and medical oxygen whether or not sold on prescription.

8 (ii) "Over-the-counter drug" means a drug that contains a label that identifies the product  
9 as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter drug" label includes:

10 (A) A "Drug Facts" panel; or

11 (B) A statement of the "active ingredient(s)" with a list of those ingredients contained in  
12 the compound, substance, or preparation.

13 "Over-the-counter drug" shall not include "grooming and hygiene products."

14 (iii) "Grooming and hygiene products" are soaps and cleaning solutions, shampoo,  
15 toothpaste, mouthwash, antiperspirants, and suntan lotions and screens, regardless of whether the  
16 items meet the definition of "over-the-counter drugs."

17 (iv) "Prescription" means an order, formula, or recipe issued in any form of oral, written,  
18 electronic, or other means of transmission by a duly licensed practitioner authorized by the laws of  
19 the member state.

20 (i) "Delivery charges" means charges by the seller of personal property or services for  
21 preparation and delivery to a location designated by the purchaser of personal property or services  
22 including, but not limited to: transportation, shipping, postage, handling, crating, and packing.

23 "Delivery charges" shall not include the charges for delivery of "direct mail" if the charges  
24 are separately stated on an invoice or similar billing document given to the purchaser.

25 (j) "Direct mail" means printed material delivered or distributed by United States mail or  
26 other delivery service to a mass audience or to addressees on a mailing list provided by the  
27 purchaser or at the direction of the purchaser when the cost of the items are not billed directly to  
28 the recipients. "Direct mail" includes tangible personal property supplied directly or indirectly by  
29 the purchaser to the direct mail seller for inclusion in the package containing the printed material.  
30 "Direct mail" does not include multiple items of printed material delivered to a single address.

31 (k) "Durable medical equipment" means equipment including repair and replacement parts  
32 for same which:

33 (i) Can withstand repeated use; and

34 (ii) Is primarily and customarily used to serve a medical purpose; and

1 (iii) Generally is not useful to a person in the absence of illness or injury; and

2 (iv) Is not worn in or on the body.

3 Durable medical equipment does not include mobility enhancing equipment.

4 (l) Food and related items.

5 (i) "Food and food ingredients" means substances, whether in liquid, concentrated, solid,  
6 frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are  
7 consumed for their taste or nutritional value. "Food and food ingredients" does not include  
8 "alcoholic beverages", "tobacco", "candy", "dietary supplements", and "soft drinks."

9 (ii) "Prepared food" means:

10 (A) Food sold in a heated state or heated by the seller;

11 (B) Two (2) or more food ingredients mixed or combined by the seller for sale as a single  
12 item; or

13 (C) Food sold with eating utensils provided by the seller, including: plates, knives, forks,  
14 spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used  
15 to transport the food.

16 "Prepared food" in (B) does not include food that is only cut, repackaged, or pasteurized  
17 by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring  
18 cooking by the consumer as recommended by the Food and Drug Administration in chapter 3, part  
19 401.11 of its Food Code so as to prevent food borne illnesses.

20 (iii) "Candy" means a preparation of sugar, honey, or other natural or artificial sweeteners  
21 in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars,  
22 drops, or pieces. "Candy" shall not include any preparation containing flour and shall require no  
23 refrigeration.

24 (iv) "Soft drinks" means non-alcoholic beverages that contain natural or artificial  
25 sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice,  
26 or similar milk substitutes, or greater than fifty percent (50%) of vegetable or fruit juice by volume.

27 (v) "Dietary supplement" means any product, other than "tobacco", intended to supplement  
28 the diet that:

29 (A) Contains one or more of the following dietary ingredients:

30 1. A vitamin;

31 2. A mineral;

32 3. An herb or other botanical;

33 4. An amino acid;

34 5. A dietary substance for use by humans to supplement the diet by increasing the total

1 dietary intake; or

2 6. A concentrate, metabolite, constituent, extract, or combination of any ingredient  
3 described above; and

4 (B) Is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or  
5 if not intended for ingestion in such a form, is not represented as conventional food and is not  
6 represented for use as a sole item of a meal or of the diet; and

7 (C) Is required to be labeled as a dietary supplement, identifiable by the "supplemental  
8 facts" box found on the label and as required pursuant to 21 C.F.R. § 101.36.

9 (m) "Food sold through vending machines" means food dispensed from a machine or other  
10 mechanical device that accepts payment.

11 (n) "Hotel" means every building or other structure kept, used, maintained, advertised as,  
12 or held out to the public to be a place where living quarters are supplied for pay to transient or  
13 permanent guests and tenants and includes a motel.

14 (i) "Living quarters" means sleeping rooms, sleeping or housekeeping accommodations, or  
15 any other room or accommodation in any part of the hotel, rooming house, or tourist camp that is  
16 available for or rented out for hire in the lodging of guests.

17 (ii) "Rooming house" means every house, boat, vehicle, motor court, or other structure  
18 kept, used, maintained, advertised, or held out to the public to be a place where living quarters are  
19 supplied for pay to transient or permanent guests or tenants, whether in one or adjoining buildings.

20 (iii) "Tourist camp" means a place where tents or tent houses, or camp cottages, or cabins  
21 or other structures are located and offered to the public or any segment thereof for human  
22 habitation.

23 (o) "Lease or rental" means any transfer of possession or control of tangible personal  
24 property for a fixed or indeterminate term for consideration. A lease or rental may include future  
25 options to purchase or extend. Lease or rental does not include:

26 (i) A transfer of possession or control of property under a security agreement or deferred  
27 payment plan that requires the transfer of title upon completion of the required payments;

28 (ii) A transfer of possession or control of property under an agreement that requires the  
29 transfer of title upon completion of required payments and payment of an option price does not  
30 exceed the greater of one hundred dollars (\$100) or one percent of the total required payments; or

31 (iii) Providing tangible personal property along with an operator for a fixed or  
32 indeterminate period of time. A condition of this exclusion is that the operator is necessary for the  
33 equipment to perform as designed. For the purpose of this subsection, an operator must do more  
34 than maintain, inspect, or set-up the tangible personal property.



1 (iv) Lease or rental does include agreements covering motor vehicles and trailers where the  
2 amount of consideration may be increased or decreased by reference to the amount realized upon  
3 sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(1).

4 (v) This definition shall be used for sales and use tax purposes regardless if a transaction  
5 is characterized as a lease or rental under generally accepted accounting principles, the Internal  
6 Revenue Code, the Uniform Commercial Code, or other provisions of federal, state, or local law.

7 (vi) This definition will be applied only prospectively from the date of adoption and will  
8 have no retroactive impact on existing leases or rentals. This definition shall neither impact any  
9 existing sale-leaseback exemption or exclusions that a state may have, nor preclude a state from  
10 adopting a sale-leaseback exemption or exclusion after the effective date of the agreement.

11 (p) "Mobility enhancing equipment" means equipment, including repair and replacement  
12 parts to same, that:

13 (i) Is primarily and customarily used to provide or increase the ability to move from one  
14 place to another and that is appropriate for use either in a home or a motor vehicle; and

15 (ii) Is not generally used by persons with normal mobility; and

16 (iii) Does not include any motor vehicle or equipment on a motor vehicle normally  
17 provided by a motor vehicle manufacturer.

18 Mobility enhancing equipment does not include durable medical equipment.

19 (q) "Model 1 Seller" means a seller that has selected a CSP as its agent to perform all the  
20 seller's sales and use tax functions, other than the seller's obligation to remit tax on its own  
21 purchases.

22 (r) "Model 2 Seller" means a seller that has selected a CAS to perform part of its sales and  
23 use tax functions, but retains responsibility for remitting the tax.

24 (s) "Model 3 Seller" means a seller that has sales in at least five member states, has total  
25 annual sales revenue of at least five hundred million dollars (\$500,000,000), has a proprietary  
26 system that calculates the amount of tax due each jurisdiction, and has entered into a performance  
27 agreement with the member states that establishes a tax performance standard for the seller. As  
28 used in this definition, a seller includes an affiliated group of sellers using the same proprietary  
29 system.

30 (t) "Prosthetic device" means a replacement, corrective, or supportive device including  
31 repair and replacement parts for same worn on or in the body to:

32 (i) Artificially replace a missing portion of the body;

33 (ii) Prevent or correct physical deformity or malfunction; or

34 (iii) Support a weak or deformed portion of the body.

1 (u) "Purchaser" means a person to whom a sale of personal property is made or to whom a  
2 service is furnished.

3 (v) "Purchase price" applies to the measure subject to use tax and has the same meaning as  
4 sales price.

5 (w) "Seller" means a person making sales, leases, or rentals of personal property or  
6 services.

7 (x) Specified Digital Products

8 (i) "Specified digital products" means electronically transferred:

9 (A) "Digital Audio-Visual Works" which means a series of related images which, when  
10 shown in succession, impart an impression of motion, together with accompanying sounds, if any;

11 (B) "Digital Audio Works" which means works that result from the fixation of a series of  
12 musical, spoken, or other sounds, including ringtones, and/or;

13 (C) "Digital Books" which means works that are generally recognized in the ordinary and  
14 usual sense as "books".

15 (ii) For purposes of the definition of "digital audio works", "ringtones" means digitized  
16 sound files that are downloaded onto a device and that may be used to alert the customer with  
17 respect to a communication.

18 (iii) For purposes of the definitions of "specified digital products", "transferred  
19 electronically" means obtained by the purchaser by means other than tangible storage media.

20 (~~x~~y) "State" means any state of the United States and the District of Columbia.

21 (~~y~~z) "Telecommunications" tax base/exemption terms.

22 (i) Telecommunication terms shall be defined as follows:

23 (A) "Ancillary services" means services that are associated with or incidental to the  
24 provision of "telecommunications services", including, but not limited to, "detailed  
25 telecommunications billing", "directory assistance", "vertical service", and "voice mail services".

26 (B) "Conference bridging service" means an "ancillary service" that links two (2) or more  
27 participants of an audio or video conference call and may include the provision of a telephone  
28 number. "Conference bridging service" does not include the "telecommunications services" used  
29 to reach the conference bridge.

30 (C) "Detailed telecommunications billing service" means an "ancillary service" of  
31 separately stating information pertaining to individual calls on a customer's billing statement.

32 (D) "Directory assistance" means an "ancillary service" of providing telephone number  
33 information, and/or address information.

34 (E) "Vertical service" means an "ancillary service" that is offered in connection with one

1 or more "telecommunications services", which offers advanced calling features that allow  
2 customers to identify callers and to manage multiple calls and call connections, including  
3 "conference bridging services".

4 (F) "Voice mail service" means an "ancillary service" that enables the customer to store,  
5 send, or receive recorded messages. "Voice mail service" does not include any "vertical services"  
6 that the customer may be required to have in order to utilize the "voice mail service".

7 (G) "Telecommunications service" means the electronic transmission, conveyance, or  
8 routing of voice, data, audio, video, or any other information or signals to a point, or between or  
9 among points. The term "telecommunications service" includes such transmission, conveyance, or  
10 routing in which computer processing applications are used to act on the form, code, or protocol of  
11 the content for purposes of transmission, conveyance, or routing without regard to whether such  
12 service is referred to as voice over internet protocol services or is classified by the Federal  
13 Communications Commission as enhanced or value added. "Telecommunications service" does  
14 not include:

15 (1) Data processing and information services that allow data to be generated, acquired,  
16 stored, processed, or retrieved and delivered by an electronic transmission to a purchaser where  
17 such purchaser's primary purpose for the underlying transaction is the processed data or  
18 information;

19 (2) Installation or maintenance of wiring or equipment on a customer's premises;

20 (3) Tangible personal property;

21 (4) Advertising, including, but not limited to, directory advertising;

22 (5) Billing and collection services provided to third parties;

23 (6) Internet access service;

24 (7) Radio and television audio and video programming services, regardless of the medium,  
25 including the furnishing of transmission, conveyance, and routing of such services by the  
26 programming service provider. Radio and television audio and video programming services shall  
27 include, but not be limited to, cable service as defined in 47 U.S.C. § 522(6) and audio and video  
28 programming services delivered by commercial mobile radio service providers as defined in 47  
29 C.F.R. § 20.3;

30 (8) "Ancillary services"; or

31 (9) Digital products "delivered electronically", including, but not limited to: software,  
32 music, video, reading materials, or ring tones.

33 (H) "800 service" means a "telecommunications service" that allows a caller to dial a toll-  
34 free number without incurring a charge for the call. The service is typically marketed under the

1 name "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers  
2 designated by the Federal Communications Commission.

3 (I) "900 service" means an inbound toll "telecommunications service" purchased by a  
4 subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded  
5 announcement or live service. "900 service" does not include the charge for: collection services  
6 provided by the seller of the "telecommunications services" to the subscriber, or service or product  
7 sold by the subscriber to the subscriber's customer. The service is typically marketed under the  
8 name "900 service," and any subsequent numbers designated by the Federal Communications  
9 Commission.

10 (J) "Fixed wireless service" means a "telecommunications service" that provides radio  
11 communication between fixed points.

12 (K) "Mobile wireless service" means a "telecommunications service" that is transmitted,  
13 conveyed, or routed regardless of the technology used, whereby the origination and/or termination  
14 points of the transmission, conveyance, or routing are not fixed, including, by way of example only,  
15 "telecommunications services" that are provided by a commercial mobile radio service provider.

16 (L) "Paging service" means a "telecommunications service" that provides transmission of  
17 coded radio signals for the purpose of activating specific pagers; such transmissions may include  
18 messages and/or sounds.

19 (M) "Prepaid calling service" means the right to access exclusively "telecommunications  
20 services", which must be paid for in advance and that enables the origination of calls using an  
21 access number or authorization code, whether manually or electronically dialed, and that is sold in  
22 predetermined units or dollars of which the number declines with use in a known amount.

23 (N) "Prepaid wireless calling service" means a "telecommunications service" that provides  
24 the right to utilize "mobile wireless service", as well as other non-telecommunications services,  
25 including the download of digital products "delivered electronically", content and "ancillary  
26 services" which must be paid for in advance that is sold in predetermined units of dollars of which  
27 the number declines with use in a known amount.

28 (O) "Private communications service" means a telecommunications service that entitles the  
29 customer to exclusive or priority use of a communications channel or group of channels between  
30 or among termination points, regardless of the manner in which such channel or channels are  
31 connected, and includes switching capacity, extension lines, stations, and any other associated  
32 services that are provided in connection with the use of such channel or channels.

33 (P) "Value-added non-voice data service" means a service that otherwise meets the  
34 definition of "telecommunications services" in which computer processing applications are used to

1 act on the form, content, code, or protocol of the information or data primarily for a purpose other  
2 than transmission, conveyance, or routing.

3 (ii) "Modifiers of Sales Tax Base/Exemption Terms" -- the following terms can be used to  
4 further delineate the type of "telecommunications service" to be taxed or exempted. The terms  
5 would be used with the broader terms and subcategories delineated above.

6 (A) "Coin-operated telephone service" means a "telecommunications service" paid for by  
7 inserting money into a telephone accepting direct deposits of money to operate.

8 (B) "International" means a "telecommunications service" that originates or terminates in  
9 the United States and terminates or originates outside the United States, respectively. United States  
10 includes the District of Columbia or a U.S. territory or possession.

11 (C) "Interstate" means a "telecommunications service" that originates in one United States  
12 state, or a United States territory or possession, and terminates in a different United States state or  
13 a United States territory or possession.

14 (D) "Intrastate" means a "telecommunications service" that originates in one United States  
15 state or a United States territory or possession, and terminates in the same United States state or a  
16 United States territory or possession.

17 (E) "Pay telephone service" means a "telecommunications service" provided through any  
18 pay telephone.

19 (F) "Residential telecommunications service" means a "telecommunications service" or  
20 "ancillary services" provided to an individual for personal use at a residential address, including an  
21 individual dwelling unit such as an apartment. In the case of institutions where individuals reside,  
22 such as schools or nursing homes, "telecommunications service" is considered residential if it is  
23 provided to and paid for by an individual resident rather than the institution.

24 The terms "ancillary services" and "telecommunications service" are defined as a broad  
25 range of services. The terms "ancillary services" and "telecommunications service" are broader  
26 than the sum of the subcategories. Definitions of subcategories of "ancillary services" and  
27 "telecommunications service" can be used by a member state alone or in combination with other  
28 subcategories to define a narrower tax base than the definitions of "ancillary services" and  
29 "telecommunications service" would imply. The subcategories can also be used by a member state  
30 to provide exemptions for certain subcategories of the more broadly defined terms.

31 A member state that specifically imposes tax on, or exempts from tax, local telephone or  
32 local telecommunications service may define "local service" in any manner in accordance with §  
33 44-18.1-28, except as limited by other sections of this Agreement.

34 (z~~aa~~) "Tobacco" means cigarettes, cigars, chewing, or pipe tobacco, or any other item that

1 contains tobacco.

2 **44-18-7.3. Services defined.**

3 (a) "Services" means all activities engaged in for other persons for a fee, retainer,  
4 commission, or other monetary charge, which activities involve the performance of a service in this  
5 state as distinguished from selling property.

6 (b) "Service charges" means

7 (i) the amount paid for the right or privilege to have access to a place or location where any  
8 of the services referenced below are provided; or

9 (ii) dues paid to any association, club, or organization regardless of the purpose for which  
10 the dues are paid; and/or

11 (iii) any charges for privileges or facilities, or any initiation fees, defined as any payment,  
12 contribution or loan required as a condition precedent to membership in any association, club or  
13 organization that facilitate the provision of the services noted below above whether or not any such  
14 payment, contribution or loan is evidenced by a certificate of interest or indebtedness or share of  
15 stock.

16 (bc) The following businesses and services performed in this state, along with the  
17 applicable ~~2007~~ 2017 North American Industrial Classification System (NAICS) codes, are  
18 included, but not limited to in the definition of services and/or service charges:

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

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

21 (ii) Limousine services (485320).

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

23 (i) Charter bus service (485510);

24 (ii) "Transportation network companies" (TNC) defined as an entity that uses a digital  
25 network to connect transportation network company riders to transportation network operators who  
26 provide prearranged rides. Any TNC operating in this state is a retailer as provided in § 44-18-15  
27 and is required to file a business application and registration form and obtain a permit to make sales  
28 at retail with the tax administrator, to charge, collect, and remit Rhode Island sales and use tax; and

29 (iii) All other transit and ground passenger transportation (485999).

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

31 (4)(i) "Room reseller" or "reseller" means any person, except a tour operator as defined in  
32 § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as  
33 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the  
34 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a portion

1 of the rental and other fees to the room reseller or reseller. Room reseller or reseller shall include,  
2 but not be limited to, sellers of travel packages as defined in this section. Notwithstanding the  
3 provisions of any other law, where said reservation or transfer of occupancy is done using a room  
4 reseller or reseller, the application of the sales and use tax under §§ 44-18-18 and 44-18-20, and  
5 the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or reseller is required to  
6 register with, and shall collect and pay to, the tax administrator the sales and use and hotel taxes,  
7 with said taxes being calculated upon the amount of rental and other fees paid by the occupant to  
8 the room reseller or reseller, less the amount of any rental and other fees paid by the room reseller  
9 or reseller to the hotel. The hotel shall collect and pay to the tax administrator said taxes upon the  
10 amount of rental and other fees paid to the hotel by the room reseller or reseller and/or the occupant.  
11 No assessment shall be made by the tax administrator against a hotel because of an incorrect  
12 remittance of the taxes under this chapter by a room reseller or reseller. No assessment shall be  
13 made by the tax administrator against a room reseller or reseller because of an incorrect remittance  
14 of the taxes under this chapter by a hotel. If the hotel has paid the taxes imposed under this chapter,  
15 the occupant and/or room reseller or reseller, as applicable, shall reimburse the hotel for said taxes.  
16 If the room reseller or reseller has paid said taxes, the occupant shall reimburse the room reseller  
17 or reseller for said taxes. Each hotel and room reseller or reseller shall add and collect, from the  
18 occupant or the room reseller or the reseller, the full amount of the taxes imposed on the rental and  
19 other fees. When added to the rental and other fees, the taxes shall be a debt owed by the occupant  
20 to the hotel or room reseller or reseller, as applicable, and shall be recoverable at law in the same  
21 manner as other debts. The amount of the taxes collected by the hotel and/or room reseller or  
22 reseller from the occupant under this chapter shall be stated and charged separately from the rental  
23 and other fees, and shall be shown separately on all records thereof, whether made at the time the  
24 transfer of occupancy occurs, or on any evidence of the transfer issued or used by the hotel or the  
25 room reseller or the reseller. A room reseller or reseller shall not be required to disclose to the  
26 occupant the amount of tax charged by the hotel; provided, however, the room reseller or reseller  
27 shall represent to the occupant that the separately stated taxes charged by the room reseller or  
28 reseller include taxes charged by the hotel. No person shall operate a hotel in this state, or act as a  
29 room reseller or reseller for any hotel in the state, unless the tax administrator has issued a permit  
30 pursuant to § 44-19-1.

31 (ii) "Travel package" means a room, or rooms, bundled with one or more other, separate  
32 components of travel such as air transportation, car rental, or similar items, which travel package  
33 is charged to the customer or occupant for a single, retail price. When the room occupancy is  
34 bundled for a single consideration, with other property, services, amusement charges, or any other

1 items, the separate sale of which would not otherwise be subject to tax under this chapter, the entire  
2 single consideration shall be treated as the rental or other fees for room occupancy subject to tax  
3 under this chapter; provided, however, that where the amount of the rental, or other fees for room  
4 occupancy is stated separately from the price of such other property, services, amusement charges,  
5 or other items, on any sales slip, invoice, receipt, or other statement given the occupant, and such  
6 rental and other fees are determined by the tax administrator to be reasonable in relation to the  
7 value of such other property, services, amusement charges, or other items, only such separately  
8 stated rental and other fees will be subject to tax under this chapter. The value of the transfer of any  
9 room, or rooms, bundled as part of a travel package may be determined by the tax administrator  
10 from the room reseller's and/or reseller's and/or hotel's books and records that are kept in the regular  
11 course of business.

12 (5) Investigation, Guard, and Armored Car Services (~~56161~~ [561611, 561612 & 561613](#)).

13 [\(6\) Hunting, Trapping, and Shooting Services \(114210 & 713990\).](#)

14 [\(i\) Exception: Special assessments, as a service charge, that are made for the construction](#)  
15 [or reconstruction of any capital addition to any such facility are exempt from the sales and use tax](#)  
16 [except that, in the case of any such amount which is not expended for such construction or](#)  
17 [reconstruction within three years after the date of payment of the special assessment, the entity that](#)  
18 [levied the special assessment, including any successors thereto, shall be liable for the sales and use](#)  
19 [tax owed on the unexpended amount.](#)

20 [\(7\) Lobbying Services as defined in § 42-139.1-3\(a\)\(3\) \(541820\)](#)

21 [\(i\) Lobbying services do not include such activities when directed at the government of](#)  
22 [the United States, another state of the United States other than Rhode Island, or political subdivision](#)  
23 [of any other state, or another country.](#)

24 [\(8\) Interior Design Services \(541410\)](#)

25 [\(9\) Commercial Buildings Services \(561710, 561720, 561730, 561740, 561790\)](#)

26 [\(i\) "Residential, also referred to as residential unit or dwelling" means a room or rooms,](#)  
27 [including a condominium or a room or a dwelling unit that forms part of a single, joint or shared](#)  
28 [tenant arrangement in any building, or portion thereof, which is designed, built, and leased to be](#)  
29 [occupied for non-commercial use.](#)

30 [\(ii\) Any entity operating in this state, providing services to real property zoned for and](#)  
31 [occupied by both residential and non-residential tenants, is a retailer as provided in §44-18-15 and](#)  
32 [is required to file a business application and registration form and obtain a permit to make sales at](#)  
33 [retail with the tax administrator, and to charge, collect, and remit Rhode Island sales and use tax](#)  
34 [on service charges if more than half of the square footage of the property is used for commercial](#)



1 [purposes.](#)

2 [\(iii\) Building and dwelling services provided to real property exclusively zoned for and](#)  
3 [occupied solely by residential tenants, including home offices, shall be exempt from sales tax.](#)

4 ~~(e)~~ All services as defined herein are required to file a business application and registration  
5 form and obtain a permit to make sales at retail with the tax administrator, to charge, collect, and  
6 remit Rhode Island sales and use tax.

7 ~~(e)~~ The tax administrator is authorized to promulgate rules and regulations in accordance  
8 with the provisions of chapter 35 of title 42 to carry out the provisions, policies, and purposes of  
9 this chapter.

10 **44-18-8. Retail sale or sale at retail defined.**

11 A "retail sale" or "sale at retail" means any sale, lease, or rentals of tangible personal  
12 property, prewritten computer software delivered electronically or by load and leave, vendor-hosted  
13 prewritten computer software, [specified digital products](#), or services as defined in § 44-18-7.3 for  
14 any purpose other than resale, sublease, or subrent in the regular course of business. The sale of  
15 tangible personal property to be used for purposes of rental in the regular course of business is  
16 considered to be a sale for resale. In regard to telecommunications service as defined in § 44-18-  
17 7(9), retail sale does not include the purchase of telecommunications service by a  
18 telecommunications provider from another telecommunication provider for resale to the ultimate  
19 consumer; provided, that the purchaser submits to the seller a certificate attesting to the  
20 applicability of this exclusion, upon receipt of which the seller is relieved of any tax liability for  
21 the sale.

22 **44-18-15. "Retailer" defined.**

23 (a) "Retailer" includes:

24 (1) Every person engaged in the business of making sales at retail including prewritten  
25 computer software delivered electronically or by load and leave, vendor-hosted prewritten  
26 computer software, [specified digital products](#), sales of services as defined in § 44-18-7.3, and sales  
27 at auction of tangible personal property owned by the person or others.

28 (2) Every person making sales of tangible personal property including prewritten computer  
29 software delivered electronically or by load and leave, or vendor-hosted prewritten computer  
30 software [or specified digital products](#), or sales of services as defined in § 44-18-7.3, through an  
31 independent contractor or other representative, if the retailer enters into an agreement with a  
32 resident of this state, under which the resident, for a commission or other consideration, directly or  
33 indirectly refers potential customers, whether by a link on an internet website or otherwise, to the  
34 retailer, provided the cumulative gross receipts from sales by the retailer to customers in the state

1 who are referred to the retailer by all residents with this type of an agreement with the retailer, is  
2 in excess of five thousand dollars (\$5,000) during the preceding four (4) quarterly periods ending  
3 on the last day of March, June, September and December. Such retailer shall be presumed to be  
4 soliciting business through such independent contractor or other representative, which presumption  
5 may be rebutted by proof that the resident with whom the retailer has an agreement did not engage  
6 in any solicitation in the state on behalf of the retailer that would satisfy the nexus requirement of  
7 the United States Constitution during such four (4) quarterly periods.

8 (3) Every person engaged in the business of making sales for storage, use, or other  
9 consumption of: (i) tangible personal property, (ii) sales at auction of tangible personal property  
10 owned by the person or others, (iii) prewritten computer software delivered electronically or by  
11 load and leave, (iv) vendor-hosted prewritten computer software, [\(v\) specified digital products](#), and  
12 ~~(vi)~~ services as defined in § 44-18-7.3.

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

15 (5) Every person engaged in the business of renting any living quarters in any hotel as  
16 defined in § 42-63.1-2, rooming house, or tourist camp.

17 (6) Every person maintaining a business within or outside of this state who engages in the  
18 regular or systematic solicitation of sales of tangible personal property, prewritten computer  
19 software delivered electronically or by load and leave, vendor-hosted prewritten computer  
20 software, [and/or specified digital products in this State by means of:](#)

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

28 (ii) Telephone;

29 (iii) Computer assisted shopping networks; and

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

32 (b) When the tax administrator determines that it is necessary for the proper administration  
33 of chapters 18 and 19 of this title to regard any salespersons, representatives, truckers, peddlers, or  
34 canvassers as the agents of the dealers, distributors, supervisors, employers, or persons under whom

1 they operate or from whom they obtain the tangible personal property sold by them, irrespective of  
2 whether they are making sales on their own behalf or on behalf of the dealers, distributors,  
3 supervisors, or employers, the tax administrator may so regard them and may regard the dealers,  
4 distributors, supervisors, or employers as retailers for purposes of chapters 18 and 19 of this title.

5 **44-18-15.2. "Remote seller" and "remote sale" defined -- Collection of sales and use**  
6 **tax by remote seller.**

7 (a) As used in this section:

8 (1) "Remote seller" means ~~a person who makes remote sales in this state.~~ any seller, other  
9 than a marketplace facilitator or referrer, who does not have a physical presence in this state and  
10 makes retail sales to purchasers.

11 ~~(2) "Remote sale" means a sale into this state for which the seller would not legally be~~  
12 ~~required to pay, collect, or remit state or local sales and use taxes unless provided by federal law.~~

13 (b) Upon passage of any federal law authorizing states to require remote sellers to collect  
14 and remit sales and use taxes, this state will require a remote seller making remote sales in the state  
15 to pay, collect, and remit sales and use taxes at the rate imposed under § 44-18-18, and in  
16 accordance with the provisions of this article, chapters 18.1 and 19 of this title, and applicable  
17 federal law.

18 **44-18-20. Use tax imposed.**

19 (a) An excise tax is imposed on the storage, use, or other consumption in this state of  
20 tangible personal property; prewritten computer software delivered electronically or by load and  
21 leave; vendor-hosted prewritten computer software; specified digital products; or services as  
22 defined in § 44-18-7.3, including a motor vehicle, a boat, an airplane, or a trailer, purchased from  
23 any retailer at the rate of six percent (6%) of the sale price of the property.

24 (b) An excise tax is imposed on the storage, use, or other consumption in this state of a  
25 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle  
26 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent  
27 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

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

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

34 (1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or child

1 of the transferor or seller;

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

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

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

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

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

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

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

28 (f) Every person making more than five (5) retail sales of tangible personal property or  
29 prewritten computer software delivered electronically or by load and leave, or vendor-hosted  
30 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3  
31 during any twelve-month (12) period, including sales made in the capacity of assignee for the  
32 benefit of creditors or receiver or trustee in bankruptcy, is considered a retailer within the provisions  
33 of this chapter.

34 (g)(1) "Casual sale" includes a sale of tangible personal property not held or used by a

1 seller in the course of activities for which the seller is required to hold a seller's permit or permits  
2 or would be required to hold a seller's permit or permits if the activities were conducted in this  
3 state, provided that the sale is not one of a series of sales sufficient in number, scope, and character  
4 (more than five (5) in any twelve-month (12) period) to constitute an activity for which the seller  
5 is required to hold a seller's permit or would be required to hold a seller's permit if the activity were  
6 conducted in this state.

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

14 (h) The use tax imposed under this section for the period commencing July 1, 1990, is at  
15 the rate of seven percent (7%). In recognition of the work being performed by the streamlined sales  
16 and use tax governing board, upon passage of any federal law that authorizes states to require  
17 remote sellers to collect and remit sales and use taxes, effective the first (1st) day of the first (1st)  
18 state fiscal quarter following the change, the rate imposed under § 44-18-18 shall be reduced from  
19 seven percent (7.0%) to six and one-half percent (6.5%). The six and one-half percent (6.5%) rate  
20 shall take effect on the date that the state requires remote sellers to collect and remit sales and use  
21 taxes.

22 **44-18-21. Liability for use tax.**

23 (a) Every person storing, using, or consuming in this state tangible personal property,  
24 including a motor vehicle, boat, airplane, or trailer, purchased from a retailer, and a motor vehicle,  
25 boat, airplane, or trailer, purchased from other than a licensed motor vehicle dealer or other than a  
26 retailer of boats, airplanes, or trailers respectively; or storing, using or consuming specified  
27 prewritten computer software delivered electronically or by load and leave, or vendor-hosted  
28 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3 is  
29 liable for the use tax. The person's liability is not extinguished until the tax has been paid to this  
30 state, except that a receipt from a retailer engaging in business in this state or from a retailer who  
31 is authorized by the tax administrator to collect the tax under rules and regulations that he or she  
32 may prescribe, given to the purchaser pursuant to the provisions of § 44-18-22, is sufficient to  
33 relieve the purchaser from further liability for the tax to which the receipt refers.

34 (b) Each person before obtaining an original or transferral registration for any article or

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

16 (c) In cases involving total loss or destruction of a motor vehicle occurring within one  
17 hundred twenty (120) days from the date of purchase and upon which the purchaser has paid the  
18 use tax, the amount of the tax constitutes an overpayment. The amount of the overpayment may be  
19 credited against the amount of use tax on any subsequent vehicle which the owner acquires to  
20 replace the lost or destroyed vehicle or may be refunded, in whole or in part.

21 **44-18-22. Collection of use tax by retailer.**

22 Every retailer engaging in business in this state and making sales of tangible personal  
23 property or prewritten computer software delivered electronically or by load and leave, or vendor-  
24 hosted prewritten computer software, [or specified digital products](#), or services as defined in § 44-  
25 18-7.3, for storage, use, or other consumption in this state, not exempted under this chapter shall,  
26 at the time of making the sales, or if the storage, use, or other consumption of the tangible personal  
27 property, prewritten computer software delivered electronically or by load and leave, vendor-hosted  
28 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3,  
29 is not then taxable under this chapter, at the time the storage, use, or other consumption becomes  
30 taxable, collect the tax from the purchaser and give to the purchaser a receipt in the manner and  
31 form prescribed by the tax administrator.

32 **44-18-23. "Engaging in business" defined.**

33 As used in §§ 44-18-21 and 44-18-22 the term "engaging in business in this state" means  
34 the selling or delivering in this state, or any activity in this state related to the selling or delivering

1 in this state of tangible personal property or prewritten computer software delivered electronically  
2 or by load and leave, or vendor-hosted prewritten computer software, [or specified digital products](#),  
3 for storage, use, or other consumption in this state; or services as defined in § 44-18-7.3 in this  
4 state. This term includes, but is not limited to, the following acts or methods of transacting business:

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

9 (2) Having any subsidiary, representative, agent, salesperson, canvasser, or solicitor  
10 permanently or temporarily, and whether or not the subsidiary, representative, or agent is qualified  
11 to do business in this state, operate in this state for the purpose of selling, delivering, or the taking  
12 of orders for any tangible personal property, or prewritten computer software delivered  
13 electronically or by load and leave, or vendor-hosted prewritten computer software, [or specified](#)  
14 [digital products](#), or services as defined in § 44-18-7.3;

15 (3) The regular or systematic solicitation of sales of tangible personal property, or  
16 prewritten computer software delivered electronically or by load and leave, or vendor-hosted  
17 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3,  
18 in this state by means of:

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

26 (ii) Telephone;

27 (iii) Computer-assisted shopping networks; and

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

30 **44-18-25. Presumption that sale is for storage, use, or consumption -- Resale**  
31 **certificate.**

32 It is presumed that all gross receipts are subject to the sales tax, and that the use of all  
33 tangible personal property, or prewritten computer software delivered electronically or by load and  
34 leave, or vendor-hosted prewritten computer software, [or specified digital products](#), or services as

1 defined in § 44-18-7.3, are subject to the use tax, and that all tangible personal property, or  
2 prewritten computer software delivered electronically or by load and leave, or vendor-hosted  
3 prewritten computer software, or specified digital products, or services as defined in § 44-18-7.3,  
4 sold or in processing or intended for delivery or delivered in this state is sold or delivered for  
5 storage, use, or other consumption in this state, until the contrary is established to the satisfaction  
6 of the tax administrator. The burden of proving the contrary is upon the person who makes the sale  
7 and the purchaser, unless the person who makes the sale takes from the purchaser a certificate to  
8 the effect that the purchase was for resale. The certificate shall contain any information and be in  
9 the form that the tax administrator may require.

10 SECTION 10. Section 44-18-36.1 of the General Laws in Chapter 44-18 entitled "Sales  
11 and Use Taxes - Liability and Computation" is hereby amended to read as follows:

12 **44-18-36.1. Hotel tax.**

13 (a) There is imposed a hotel tax of ~~five percent (5%)~~ six percent (6%) upon the total  
14 consideration charged for occupancy of any space furnished by any hotel, travel packages, or room  
15 reseller or reseller as defined in § 44-18-7.3(b) in this state. A house, condominium, or other  
16 resident dwelling shall be exempt from the ~~five percent (5%)~~ six percent (6%) hotel tax under this  
17 subsection if the house, condominium, or other resident dwelling is rented in its entirety. The hotel  
18 tax is in addition to any sales tax imposed. This hotel tax is administered and collected by the  
19 division of taxation and unless provided to the contrary in this chapter, all the administration,  
20 collection, and other provisions of chapters 18 and 19 of this title apply. Nothing in this chapter  
21 shall be construed to limit the powers of the convention authority of the city of Providence  
22 established pursuant to the provisions of chapter 84 of the public laws of 1980, except that  
23 distribution of hotel tax receipts shall be made pursuant to chapter 63.1 of title 42 rather than chapter  
24 84 of the public laws of 1980.

25 (b) There is hereby levied and imposed, upon the total consideration charged for occupancy  
26 of any space furnished by any hotel in this state, in addition to all other taxes and fees now imposed  
27 by law, a local hotel tax at a rate of one percent (1%). The local hotel tax shall be administered and  
28 collected in accordance with subsection (a).

29 (c) All sums received by the division of taxation from the local hotel tax, penalties or  
30 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid  
31 by the state treasurer to the city or town where the space for occupancy that is furnished by the  
32 hotel is located. Unless provided to the contrary in this chapter, all of the administration, collection,  
33 and other provisions of chapters 18 and 19 of this title shall apply.

34 (d) Notwithstanding the provisions of subsection (a) of this section, the city of Newport



1 shall have the authority to collect from hotels located in the city of Newport the tax imposed by  
2 subsection (a) of this section.

3 (1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the tax  
4 as provided in § 42-63.1-3. No later than the first day of March and the first day of September in  
5 each year in which the tax is collected, the city of Newport shall submit to the division of taxation  
6 a report of the tax collected and distributed during the six (6) month period ending thirty (30) days  
7 prior to the reporting date.

8 (2) The city of Newport shall have the same authority as the division of taxation to recover  
9 delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty and  
10 interest imposed by the city of Newport until collected constitutes a lien on the real property of the  
11 taxpayer.

12 In recognition of the work being performed by the Streamlined Sales and Use Tax  
13 Governing Board, upon any federal law which requires remote sellers to collect and remit taxes,  
14 effective the first (1st) day of the first (1st) state fiscal quarter following the change, the rate  
15 imposed under § 44-18-36.1(b) shall be one and one-half percent (1.5%).

16 SECTION 11. Effective upon passage unless otherwise specified herein, the title of  
17 Chapter 44-18.2 of the General Laws entitled "Sales and Use Tax – Non-Collecting Retailers,  
18 Referrers, and Retail Sale Facilitators Act" and Sections 44-18.2-2, 44-18.2-3, 44-18.2-4, 44-18.2-  
19 5, and 44-18.2-6 of the General Laws in Chapter 44-18.2 entitled "Sales and Use Tax – Non-  
20 Collecting Retailers, Referrers, and Retail Sale Facilitators Act" is hereby amended to read as  
21 follows: are hereby amended to read as follows:

22 ~~CHAPTER 44-18.2~~  
23 ~~Sales and Use Tax—Non-Collecting Retailers, Referrers, and Retail Sale Facilitators Act~~  
24 CHAPTER 44-18.2  
25 SALES AND USE TAXES – REMOTE SELLERS, REFERRERS, AND  
26 MARKETPLACE FACILITATORS ACT

27 **44-18.2-2. Definitions.**

28 For the purposes of this chapter:

29 (1) "Division of taxation" means the Rhode Island department of revenue, division of  
30 taxation. The division may also be referred to in this chapter as the "division of taxation", "tax  
31 division", or "division."

32 (2) "In-state customer" means a person or persons who makes a purchase of tangible  
33 personal property, prewritten computer software delivered electronically or by load and leave as  
34 defined in § 44-18-7.1(g)(v), vendor-hosted prewritten computer software, specified digital

1 products, and/or taxable services as defined under § 44-18-1 et seq. for use, storage, and/or other  
2 consumption in this state.

3 (3) "In-state software" means software used by in-state customers on their computers,  
4 smartphones, and other electronic and/or communication devices, including information or  
5 software such as cached files, cached software, or "cookies", or other data tracking tools, that are  
6 stored on property in this state or distributed within this state, for the purpose of purchasing tangible  
7 personal property, prewritten computer software delivered electronically or by load and leave,  
8 vendor-hosted prewritten computer software, specified digital products, and/or taxable services.

9 (4) "Marketplace" means a physical or electronic place including, but not limited to, a store,  
10 booth, Internet website, catalog, television or radio broadcast, or a dedicated sales software  
11 application where tangible personal property, prewritten computer software delivered  
12 electronically or by load and leave, vendor-hosted prewritten computer software, specified digital  
13 products, and/or taxable services is/are sold or offered for sale for delivery in this state regardless  
14 of whether the tangible personal property, prewritten computer software delivered electronically or  
15 by load and leave, vendor-hosted prewritten computer software, or specified digital products have  
16 a physical presence in the state.

17 (5) "Marketplace facilitator" means any person or persons that contracts or otherwise  
18 agrees with a marketplace seller to facilitate for consideration, regardless of whether deducted as  
19 fees from the transaction, the sale of the marketplace seller's products through a physical or  
20 electronic marketplace operated by the person or persons, and engages:

21 (a) Directly or indirectly, through one or more affiliated persons in any of the following:

22 (i) Transmitting or otherwise communicating the offer or acceptance between the buyer  
23 and seller;

24 (ii) Owning or operating the infrastructure, electronic or physical, or technology that brings  
25 buyers and sellers together;

26 (iii) Providing a virtual currency that buyers are allowed or required to use to purchase  
27 products from the seller; or

28 (iv) Software development or research and development activities related to any of the  
29 activities described in (b) of this subsection (5), if such activities are directly related to a physical  
30 or electronic marketplace operated by the person or an affiliated person; and

31 (b) In any of the following activities with respect to the seller's products:

32 (i) Payment processing services;

33 (ii) Fulfillment or storage services;

34 (iii) Listing products for sale;

- 1           (iv) Setting prices;
- 2           (v) Branding sales as those of the marketplace facilitator;
- 3           (vi) Order taking;
- 4           (vii) Advertising or promotion; or
- 5           (viii) Providing customer service or accepting or assisting with returns or exchanges.
- 6           (6) "Marketplace seller" means a person, not a related party to a marketplace facilitator,
- 7           who has an agreement with a marketplace facilitator and makes retail sales of tangible personal
- 8           property, prewritten computer software delivered electronically or by load and leave, vendor-hosted
- 9           prewritten computer software, specified digital products, and/or taxable services through a
- 10           marketplace owned, operated, or controlled by a marketplace facilitator, whether or not such person
- 11           is required to register to collect and remit sales tax.

12           (47) "Non-collecting retailer" means any person or persons who meets at least one of the  
13 following criteria:

14           (A) Uses in-state software to make sales at retail of tangible personal property, prewritten  
15 computer software delivered electronically or by load and leave, and/or taxable services; or

16           (B) Sells, leases, or delivers in this state, or participates in any activity in this state in  
17 connection with the selling, leasing, or delivering in this state, of tangible personal property,  
18 prewritten computer software delivered electronically or by load and leave, and/or taxable services  
19 for use, storage, distribution, or consumption within this state. This includes, but shall not be limited  
20 to, any of the following acts or methods of transacting business:

21           (i) Engaging in, either directly or indirectly through a referrer, retail sale facilitator, or other  
22 third party, direct response marketing targeted at in-state customers. For purposes of this  
23 subsection, direct response marketing includes, but is not limited to, sending, transmitting, or  
24 broadcasting via flyers, newsletters, telephone calls, targeted electronic mail, text messages, social  
25 media messages, targeted mailings; collecting, analyzing and utilizing individual data on in-state  
26 customers; using information or software, including cached files, cached software, or "cookies", or  
27 other data tracking tools, that are stored on property in or distributed within this state; or taking any  
28 other action(s) that use persons, tangible property, intangible property, digital files or information,  
29 or software in this state in an effort to enhance the probability that the person's contacts with a  
30 potential in-state customer will result in a sale to that in-state customer;

31           (ii) Entering into one or more agreements under which a person or persons who has  
32 physical presence in this state refers, either directly or indirectly, potential in-state customers of  
33 tangible personal property, prewritten computer software delivered electronically or by load and  
34 leave, and/or taxable services to the non-collecting retailer for a fee, commission, or other

1 consideration whether by an internet-based link or an internet website, or otherwise. An agreement  
2 under which a non-collecting retailer purchases advertisements from a person or persons in this  
3 state to be delivered in this state on television, radio, in print, on the internet or by any other medium  
4 in this state, shall not be considered an agreement under this subsection (ii), unless the  
5 advertisement revenue or a portion thereof paid to the person or persons in this state consists of a  
6 fee, commission, or other consideration that is based in whole or in part upon sales of tangible  
7 personal property, prewritten computer software delivered electronically or by load and leave,  
8 and/or taxable services; or

9 (iii) Using a retail sale facilitator to sell, lease, or deliver in this state, or participate in any  
10 activity in this state in connection with the selling, leasing, or delivering in this state, of tangible  
11 personal property, prewritten computer software delivered electronically or by load and leave,  
12 and/or taxable services for use, storage, or consumption in this state.

13 (C) Uses a sales process that includes listing, branding, or selling tangible personal  
14 property, prewritten computer software delivered electronically or by load and leave, and/or taxable  
15 services for sale, soliciting, processing orders, fulfilling orders, providing customer service and/or  
16 accepting or assisting with returns or exchanges occurring in this state, regardless of whether that  
17 part of the process has been subcontracted to an affiliate or third party. The sales process for which  
18 the in-state customer is charged not more than the basic charge for shipping and handling as used  
19 in this subsection shall not include shipping via a common carrier or the United States mail;

20 (D) Offers its tangible personal property, prewritten computer software delivered  
21 electronically or by load and leave, and/or taxable services for sale through one or more retail sale  
22 facilitators that has physical presence in this state;

23 (E) Is related to a person that has physical presence in this state, and such related person  
24 with a physical presence in this state:

25 (i) Sells tangible personal property, prewritten computer software delivered electronically  
26 or by load and leave, and/or taxable services that are the same or substantially similar to that sold  
27 by a non-collecting retailer under a business name that is the same or substantially similar to that  
28 of the non-collecting retailer;

29 (ii) Maintains an office, distribution facility, salesroom, warehouse, storage place, or other  
30 similar place of business in this state to facilitate the delivery of tangible personal property,  
31 prewritten computer software delivered electronically or by load and leave, and/or taxable services  
32 sold by the non-collecting retailer;

33 (iii) Uses, with consent or knowledge of the non-collecting retailer, trademarks, service  
34 marks, or trade names in this state that are the same or substantially similar to those used by the

1 non-collecting retailer;

2 (iv) Delivers or has delivered (except for delivery by common carrier or United States mail  
3 for which the in-state customer is charged not more than the basic charge for shipping and  
4 handling), installs, or assembles tangible personal property in this state, or performs maintenance  
5 or repair services on tangible personal property in this state, which tangible personal property is  
6 sold to in-state customers by the non-collecting retailer;

7 (v) Facilitates the delivery of tangible personal property purchased from a non-collecting  
8 retailer but delivered in this state by allowing an in-state customer to pick up the tangible personal  
9 property at an office distribution facility, salesroom, warehouse, storage place, or other similar  
10 place of business maintained in this state; or

11 (vi) Shares management, business systems, business practices, computer resources,  
12 communication systems, payroll, personnel, or other such business resources and activities with  
13 the non-collecting retailer, and/or engages in intercompany transactions with the non-collecting  
14 retailer, either or both of which relate to the activities that establish or maintain the non-collecting  
15 retailer's market in this state.

16 (F) Any person or persons who meets at least one of the criteria in subsections (47)(A) --  
17 (47)(E) above shall be presumed to be a non-collecting retailer.

18 (G) The term "non-collecting retailer" will no longer apply to any entity that meets the  
19 definition of this subsection on or after July 1, 2019, at which time such entity shall be classified  
20 as a "remote seller" as referenced in R.I. Gen. Laws § 44-18-15.2.

21 (58) "Person" means person as defined in § 44-18-6.

22 (69) "Referrer" means every person who:

23 (A) Contracts or otherwise agrees with a retailer to list and/or advertise for sale in this state  
24 tangible personal property, prewritten computer software delivered electronically or by load and  
25 leave, vendor-hosted prewritten computer software, specified digital products, and/or taxable  
26 services in any forum, including, but not limited to, a catalog or internet website;

27 (B) Receives a fee, commission, and/or other consideration from a retailer for the listing  
28 and/or advertisement;

29 (C) Transfers, via in-state software, internet link, or otherwise, an in-state customer to the  
30 retailer or the retailer's employee, affiliate, or website to complete a purchase; and

31 (D) Does not collect payments from the in-state customer for the transaction.

32 (E) A person or persons who engages in the activity set forth in all of the activities set forth  
33 in subsections (69)(A) -- (69)(D) above shall be presumed to be a referrer.

34 (710) "Related" means:

1 (A) Having a relationship with the non-collecting retailer within the meaning of the internal  
2 revenue code of 1986 as amended; or

3 (B) Having one or more ownership relationships and a purpose of having the ownership  
4 relationship is to avoid the application of this chapter.

5 ~~(811)~~ A "retail sale" or "sale at retail" means any retail sale or sale at retail as defined in §  
6 44-18-8.

7 ~~(912)~~ "Retail sale facilitator" means any person or persons that facilitates a sale by a retailer  
8 by engaging in the following types of activities:

9 (A) Using in-state software to make sales at retail of tangible personal property, prewritten  
10 computer software delivered electronically or by load and leave, and/or taxable services; or

11 (B) Contracting or otherwise agreeing with a retailer to list and/or advertise for sale  
12 tangible personal property, prewritten computer software delivered electronically or by load and  
13 leave, and/or taxable services in any forum, including, but not limited to, a catalog or internet  
14 website; and

15 (C) Either directly or indirectly through agreements or arrangements with third parties,  
16 collecting payments from the in-state customer and transmitting those payments to a retailer. A  
17 person or persons may be a retail sale facilitator regardless of whether they deduct any fees from  
18 the transaction. The division may define in regulation circumstances under which a retail sale  
19 facilitator shall be deemed to facilitate a retail sale.

20 (D) A person or persons who engages in the type of activity set forth in subsection ~~(912)~~(A)  
21 above or both of the types of activities set forth in subsections ~~(912)~~(B) and ~~(912)~~(C) above shall  
22 be presumed to be a retail sale facilitator.

23 ~~(E) The term "retail sale facilitator" will no longer apply to any entity that meets the~~  
24 ~~definition of this subsection on or after July 1, 2019, at which time such entity shall be classified~~  
25 ~~as a "marketplace facilitator" as referenced above in R.I. Gen. Laws § 44-18.2-2(5).~~

26 ~~(139)~~ A "retailer" means retailer as defined in § 44-18-15.

27 ~~(14) "Specified digital products" refers to the same term as defined in R.I. Gen. Laws § 44-~~  
28 ~~18-7.1(x) effective July 1, 2019.~~

29 ~~(154)~~ "State" means the State of Rhode Island and Providence Plantations.

30 ~~(162)~~ "Streamlined agreement" means the Streamlined Sales and Use Tax Agreement as  
31 referenced in § 44-18.1-1 et seq.

32 ~~(17) "Vendor-hosted prewritten computer software" refers to the same term as defined in~~  
33 ~~R.I. Gen. Laws § 44-18-7.1(g)(vii) effective October 1, 2018.~~

34 **44-18.2-3. Requirements for non-collecting retailers, referrers, and retail sale**

1 **facilitators.**

2 (A) Except as otherwise provided below in § 44-18.2-4, beginning on the later of July 15,  
3 2017, or two (2) weeks after the enactment of this chapter, and for each tax year thereafter prior to  
4 July 1, 2019, or the effective date of the amendment of this chapter, any non-collecting retailer,  
5 referrer, or retail sale facilitator, as defined in this chapter, that in the immediately preceding  
6 calendar year either:

7 (i) Has gross revenue from the sale of tangible personal property, prewritten computer  
8 software delivered electronically or by load and leave, and/or has taxable services delivered into  
9 this state equal to or exceeding one hundred thousand dollars (\$100,000); or

10 (ii) Has sold tangible personal property, prewritten computer software delivered  
11 electronically or by load and leave, and/or taxable services for delivery into this state in two  
12 hundred (200) or more separate transactions shall comply with the requirements in subsections  
13 ~~(EF)~~, ~~(FG)~~, and ~~(GH)~~ as applicable.

14 (B) A non-collecting retailer, as defined in this chapter, shall comply with subsection ~~(EF)~~  
15 below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

16 (C) A referrer, as defined in this chapter, shall comply with subsection ~~(FG)~~ below if it  
17 meets the criteria of either subsection (A)(i) or (A)(ii) above.

18 (D) A retail sale facilitator, as defined in this chapter, shall comply with subsection ~~(GH)~~  
19 below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

20 (E) Any noncollecting retailer, retail sale facilitator, and/or referrer that is collecting and  
21 remitting sales tax into this state prior to the enactment of this amended chapter, date to be inserted  
22 after enactment, shall be deemed a remote seller and/or a marketplace seller and/or marketplace  
23 facilitator and/or referrer upon amendment of this chapter and shall continue to collect and remit  
24 sales tax. Beginning on ninety (90) days after the enactment of this amended chapter, date to be  
25 inserted after enactment, any remote seller, marketplace seller, marketplace facilitator, and/or  
26 referrer, as defined in this chapter, who is not collecting and remitting sales tax shall comply with  
27 the requirements in subsection (I) if that remote seller, marketplace seller, marketplace facilitator,  
28 and/or referrer, as defined in this chapter has not been collecting or remitting sales tax in this state  
29 and, in the immediately preceding calendar year either:

30 (i) Has gross revenue from the sale of tangible personal property, prewritten computer  
31 software delivered electronically or by load and leave, vendor-hosted prewritten computer  
32 software, specified digital products, and/or has taxable services delivered into this state equal to or  
33 exceeding one hundred thousand dollars (\$100,000); or

34 (ii) Has sold tangible personal property, prewritten computer software delivered

1 [electronically or by load and leave, vendor-hosted prewritten computer software, specified digital](#)  
2 [products, and/or taxable services for delivery into this state in two hundred \(200\) or more separate](#)  
3 [transactions shall comply with the requirements in subsection \(I\).](#)

4 (E) Non-collecting retailer. A non-collecting retailer shall either register in this state for  
5 a permit to make sales at retail and collect and remit sales and use tax on all taxable sales into the  
6 state or:

7 (1) Post a conspicuous notice on its website that informs in-state customers that sales or  
8 use tax is due on certain purchases made from the non-collecting retailer and that this state requires  
9 the in-state customer to file a sales or use tax return;

10 (2) At the time of purchase, notify in-state customers that sales or use tax is due on taxable  
11 purchases made from the non-collecting retailer and that the state of Rhode Island requires the in-  
12 state customer to file a sales or use tax return;

13 (3) Within forty-eight (48) hours of the time of purchase, notify in-state customers in  
14 writing that sales or use tax is due on taxable purchases made from the non-collecting retailer and  
15 that this state requires the in-state customer to file a sales or use tax return reflecting said purchase;

16 (4) On or before January 31 of each year, including January 31, 2018, for purchases made  
17 in calendar year 2017, send a written notice to all in-state customers who have cumulative annual  
18 taxable purchases from the non-collecting retailer totaling one hundred dollars (\$100) or more for  
19 the prior calendar year. The notification shall show the name of the non-collecting retailer, the total  
20 amount paid by the in-state customer to the non-collecting retailer in the previous calendar year,  
21 and, if available, the dates of purchases, the dollar amount of each purchase, and the category or  
22 type of the purchase, including, whether the purchase is exempt or not exempt from taxation in  
23 Rhode Island. The notification shall include such other information as the division may require by  
24 rule and regulation. The notification shall state that the state of Rhode Island requires a sales or use  
25 tax return to be filed and sales or use tax to be paid on certain categories or types of purchases made  
26 by the in-state customer from the non-collecting retailer. The notification shall be sent separately  
27 to all in-state customers by first-class mail and shall not be included with any other shipments or  
28 mailings. The notification shall include the words "Important Tax Document Enclosed" on the  
29 exterior of the mailing; and

30 (5) Beginning on February 15, 2018, and not later than each February 15 thereafter, a non-  
31 collecting retailer that has not registered in this state for a permit to make sales at retail and collect  
32 and remit sales and use tax on all taxable sales into the state for any portion of the prior calendar  
33 year, shall file with the division on such form and/or in such format as the division prescribes an  
34 attestation that the non-collecting retailer has complied with the requirements of subsections



1 ~~(EF)~~(1) – ~~(EF)~~(4) herein.

2 (GF) Referrer. At such time during any calendar year, or any portion thereof, that a referrer  
3 receives more than ten thousand dollars (\$10,000) from fees, commissions, and/or other  
4 compensation paid to it by retailers with whom it has a contract or agreement to list and/or advertise  
5 for sale tangible personal property, prewritten computer software delivered electronically or by  
6 load and leave, and/or taxable services, said referrer shall within thirty (30) days provide written  
7 notice to all such retailers that the retailers' sales may be subject to this state's sales and use tax.

8 (GH) Retail sale facilitator. Beginning January 15, 2018, and each year thereafter, a retail  
9 sale facilitator shall provide the division of taxation with:

10 (i) A list of names and addresses of the retailers for whom during the prior calendar year  
11 the retail sale facilitator collected Rhode Island sales and use tax; and

12 (ii) A list of names and addresses of the retailers who during the prior calendar year used  
13 the retail sale facilitator to serve in-state customers but for whom the retail sale facilitator did not  
14 collect Rhode Island sales and use tax.

15 (I) Remote sellers, referrers, and marketplace facilitators. A remote seller, referrer, and  
16 marketplace facilitator shall register in this state for a permit to make sales at retail and collect and  
17 remit sales and use tax on all taxable sales into the state.

18 (i) A marketplace facilitator shall collect sales and use tax on all sales made through the  
19 marketplace to purchasers in this state whether or not the marketplace seller (1) has or is required  
20 to have a permit to make sales at retail or (2) would have been required to collect and remit sales  
21 and use tax had the sale not been made through the marketplace provider.

22 (ii) A marketplace facilitator shall certify to its marketplace sellers that it will collect and  
23 remit sales and use tax on sales of taxable items made through the marketplace. A marketplace  
24 seller that accepts a marketplace provider's collection certificate in good faith may exclude sales  
25 made through the marketplace from the marketplace seller's returns under Chapters 18 and 19 of  
26 Title 44 of the Rhode Island General Laws.

27 (iii) A marketplace facilitator with respect to a sale of tangible personal property it  
28 facilitates:

29 (A) shall have all the obligations and rights of a retailer under Chapters 18 and 19 of Title  
30 44 of the Rhode Island General Laws and under any regulations adopted pursuant thereto,  
31 including, but not limited to, the duty to obtain a certificate of authority, to collect tax, file returns,  
32 remit tax, and the right to accept a certificate or other documentation from a customer substantiating  
33 an exemption or exclusion from tax, the right to receive a refund or credit allowed by law; and (B)  
34 shall keep such records and information and cooperate with the tax administrator to ensure the

1 proper collection and remittance of tax imposed, collected, or required to be collected under  
2 Chapters 18 and 19 of Title 44 of the Rhode Island General Laws.

3 (iv) A marketplace facilitator shall be subject to audit by the tax administrator with respect  
4 to all retail sales for which it is required to collect and pay the tax imposed under Chapters 18 and  
5 19 of Title 44 of the Rhode Island General Laws. Where the tax administrator audits the  
6 marketplace facilitator, the tax administrator is prohibited from auditing the marketplace seller for  
7 the same retail sales unless the marketplace facilitator seeks relief under this subsection (iv).

8 (v) If the marketplace facilitator demonstrates to the tax administrator's satisfaction that  
9 the marketplace facilitator has made a reasonable effort to obtain accurate information from the  
10 marketplace seller about a retail sale and that the failure to collect and pay the correct amount of  
11 tax imposed under Chapters 18 and 19 of Title 44 of the Rhode Island General Laws was due to  
12 incorrect information provided to the marketplace facilitator by the marketplace seller, then the  
13 marketplace facilitator shall be relieved of liability of the tax for that retail sale. This subsection (v)  
14 does not apply with regard to a retail sale for which the marketplace facilitator is the seller or if the  
15 marketplace facilitator and seller are affiliates. Where the marketplace facilitator is relieved under  
16 this subsection (v), the seller is liable for the tax imposed under Chapters 18 and 19 of Title 44 of  
17 the Rhode Island General Laws.

18 (vi) A class action may not be brought against a marketplace facilitator on behalf of  
19 purchasers arising from or in any way related to an overpayment of sales or use tax collected by  
20 the marketplace facilitator, regardless of whether such action is characterized as a tax refund claim.  
21 Nothing in this subsection (vi) shall affect a purchaser's right to seek a refund as otherwise allowed  
22 by law.

23 (HJ) Any person or entity that engages in any activity or activities of a non-collecting  
24 retailer, referrer, and/or retail sale facilitator as defined herein shall be presumed to be a non-  
25 collecting retailer, referrer, and/or retail sale facilitator as applicable even if referred to by another  
26 name or designation. Said person or entity shall be subject to the terms and conditions set forth in  
27 this chapter.

28 **44-18.2-4. Exceptions for referrers and retail sale facilitators.**

29 (A)(i) Notwithstanding the provisions of § 44-18.2-3, no retail sale facilitator shall be  
30 required to comply with the provisions of § 44-18.2-3(~~GH~~), for any sale where the retail sale  
31 facilitator within ninety (90) days of the date of the sale has been provided either:

32 (1) A copy of the retailer's Rhode Island sales tax permit to make sales at retail in this state  
33 or its resale certificate as applicable; or

34 (2) Evidence of a fully completed Rhode Island or Streamlined agreement sales and use

1 tax exemption certificate.

2 (ii) Notwithstanding the provisions of § 44-18.2-3, no referrer shall be required to comply  
3 with the provisions of § 44-18.2-3(~~FG~~) for any referral where the referrer within ninety (90) days  
4 of the date of the sale has been provided either:

5 (1) A copy of the retailer's Rhode Island sales tax permit to make sales at retail in this state  
6 or its resale certificate as applicable; or

7 (2) Evidence of a fully completed Rhode Island or Streamlined agreement sales and use  
8 tax exemption certificate.

9 (B) Nothing in this section shall be construed to interfere with the ability of a non-collecting  
10 retailer, referrer, or retail sale facilitator and a retailer to enter into agreements with each other;  
11 provided, however, the terms of said agreements shall not in any way be inconsistent with or  
12 contravene the requirements of this chapter.

13 (C) The provisions of subsections (A) and (B) herein will not be applicable as of July 1,  
14 2019 or the effective date of the amendment of this chapter.

15 **44-18.2-5. Penalties.**

16 Prior to the effective date of the enactment of the amendment of this chapter, date to be  
17 inserted upon enactment, Any non-collecting retailer, referrer, or retail sale facilitator that fails to  
18 comply with any of the requirements of this chapter shall be subject to a penalty of ten dollars  
19 (\$10.00) for each such failure, but not ~~more~~less than a total penalty of ten thousand dollars  
20 (\$10,000) per calendar year. As of July 1, 2019, or prior to the effective date of the enactment of  
21 the amendment of this chapter, date to be inserted upon enactment, any remote seller, referrer, or  
22 marketplace facilitator that fails to comply with any of the requirements of this chapter shall be  
23 subject to a penalty of ten dollars (\$10.00) for each such failure, but not less than a total penalty of  
24 ten thousand dollars (\$10,000) per calendar year. Each instance of failing to comply with the  
25 requirements of this chapter shall constitute a separate violation for purposes of calculating the  
26 penalty under this section. This penalty shall be in addition to any other applicable penalties under  
27 title 44.

28 **44-18.2-6. Other obligations.**

29 (A) Nothing in this section affects the obligation of any in-state customer to remit use tax  
30 as to any applicable transaction in which the seller, non-collecting retailer, or retail sale facilitator,  
31 remote seller, marketplace seller, marketplace facilitator or referrer has not collected and remitted  
32 the sales tax for said transaction.

33 (B) Nothing in this chapter shall be construed as relieving any other person or entity  
34 otherwise required to collect and remit sales and use tax under applicable Rhode Island law from

1 continuing to do so.

2 (C) In the event that any section of this chapter is later determined to be unlawful, no  
3 person, persons, or entity shall have a cause of action against the person that collected and remitted  
4 the sales and use tax pursuant to this chapter.

5 SECTION 12. Effective October 1, 2019, Section 44-19-7 of the General Laws in Chapter  
6 44-19 entitled "Sales and Use Taxes - Enforcement and Collection" is hereby amended to read as  
7 follows:

8 **44-19-7. Registration of retailers.**

9 Every retailer selling tangible personal property or prewritten computer software delivered  
10 electronically or by load and leave or vendor-hosted prewritten computer software [or specified](#)  
11 [digital products](#) for storage, use, or other consumption in this state, as well as services as defined  
12 in § 44-18-7.3, in this state, or renting living quarters in any hotel as defined in § 42-63.1-2, rooming  
13 house, or tourist camp in this state must register with the tax administrator and give the name and  
14 address of all agents operating in this state, the location of all distribution or sales houses or offices,  
15 or of any hotel as defined in § 42-63.1-2, rooming house, or tourist camp or other places of business  
16 in this state, and other information that the tax administrator may require.

17 SECTION 13. The title and Sections 44-20-1, 44-20-2, 44-20-3, 44-20-4, 44-20-5, and 44-  
18 20-8.2 of the General Laws in Chapter 44-20 entitled "Cigarette and Other Tobacco Products Tax"  
19 are hereby amended to read as follows:

20 CHAPTER 20

21 CIGARETTE, OTHER TOBACCO PRODUCTS, [AND E-LIQUID PRODUCTS TAX](#)

22 **44-20-1. Definitions.**

23 Whenever used in this chapter, unless the context requires otherwise:

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

25 (2) "Cigarettes" means and includes any cigarettes suitable for smoking in cigarette form,  
26 and each sheet of cigarette rolling paper, including but not limited to, paper made into a hollow  
27 cylinder or cone, made with paper or any other material, with or without a filter suitable for use in  
28 making cigarettes;

29 (3) "Dealer" means any person whether located within or outside of this state, who sells or  
30 distributes cigarettes [and/or other tobacco products](#) and/or electronic nicotine-delivery system  
31 products to a consumer in this state;

32 [\(4\) "E-liquid" and "e-liquid products" mean: any liquid or substance placed in or sold for](#)  
33 [use in an electronic nicotine-delivery system which generally utilizes a heating element that](#)  
34 [vaporizes or combusts a liquid or other substance containing nicotine or nicotine derivative:](#)

1 (a) whether the liquid or substance contains nicotine or a nicotine derivative; or,  
2 (b) whether sold separately or sold in combination with a personal vaporizer, electronic  
3 nicotine delivery system or an electronic inhaler.

4 (5) "Electronic nicotine-delivery system products" means an electronic device that may be  
5 used to simulate smoking in the delivery of nicotine or other substance to a person inhaling from  
6 the device, and includes, but is not limited to, an electronic cigarette, electronic cigar, electronic  
7 cigarillo, electronic pipe, electronic hookah, or e-liquid, or any related device or any cartridge or  
8 other component of such device. Electronic nicotine-delivery system products shall not include  
9 Hemp-derived consumable CBD products as defined in 44-49.1-2.

10 ~~(4)~~ "Distributor" means any person:

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

18 (B) Selling cigarettes and/or other tobacco products and/or electronic nicotine-delivery  
19 system products directly to consumers in this state by means of at least twenty-five (25) vending  
20 machines;

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

29 (D) Maintaining one or more regular places of business in this state for that purpose;  
30 provided, that seventy-five percent (75%) of the sold cigarettes and/or other tobacco products  
31 and/or electronic nicotine-delivery system products are purchased directly from the manufacturer  
32 and selling cigarettes and/or other tobacco products and/or electronic nicotine-delivery system  
33 products directly to at least forty (40) dealers or other persons for resale;

34 ~~(5)~~ "Importer" means any person who imports into the United States, either directly or

1 indirectly, a finished cigarette or other tobacco product [and/or electronic nicotine-delivery system](#)  
2 [product](#) for sale or distribution;

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

8 (79) "Manufacturer" means any person who manufactures, fabricates, assembles,  
9 processes, or labels a finished cigarette and/or other tobacco products [and/or electronic nicotine-](#)  
10 [delivery system products](#);

11 (810) "Other tobacco products" (OTP) means any cigars (excluding Little Cigars, as  
12 defined in § 44-20.2-1, which are subject to cigarette tax), cheroots, stogies, smoking tobacco  
13 (including granulated, plug cut, crimp cut, ready rubbed and any other kinds and forms of tobacco  
14 suitable for smoking in a pipe or otherwise), chewing tobacco (including Cavendish, twist, plug,  
15 scrap and any other kinds and forms of tobacco suitable for chewing), any and all forms of hookah,  
16 shisha and "mu'assel" tobacco, snuff, and shall include any other articles or products made of or  
17 containing tobacco, in whole or in part, or any tobacco substitute, except cigarettes;

18 (911) "Person" means any individual, including an employee or agent, firm, fiduciary,  
19 partnership, corporation, trust, or association, however formed;

20 (1012) "Pipe" means an apparatus made of any material used to burn or vaporize products  
21 so that the smoke or vapors can be inhaled or ingested by the user;

22 (1113) "Place of business" means any location where cigarettes and/or other tobacco  
23 products [and/or electronic nicotine-delivery system products](#) are sold, stored, or kept, including,  
24 but not limited to; any storage room, attic, basement, garage or other facility immediately adjacent  
25 to the location. It also includes any receptacle, hide, vessel, vehicle, airplane, train, or vending  
26 machine;

27 (1214) "Sale" or "sell" means gifts, exchanges, and barter of cigarettes and/or other tobacco  
28 products [and/or electronic nicotine-delivery system products](#). The act of holding, storing, or  
29 keeping cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)  
30 [products](#) at a place of business for any purpose shall be presumed to be holding the cigarettes and/or  
31 other tobacco products [and/or electronic nicotine-delivery system products](#) for sale. Furthermore,  
32 any sale of cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)  
33 [products](#) by the servants, employees, or agents of the licensed dealer during business hours at the  
34 place of business shall be presumed to be a sale by the licensee;

1           (1315) "Stamp" means the impression, device, stamp, label, or print manufactured, printed,  
2 or made as prescribed by the administrator to be affixed to packages of cigarettes, as evidence of  
3 the payment of the tax provided by this chapter or to indicate that the cigarettes are intended for a  
4 sale or distribution in this state that is exempt from state tax under the provisions of state law; and  
5 also includes impressions made by metering machines authorized to be used under the provisions  
6 of this chapter.

7           **44-20-2. Importer, distributor, and dealer licenses required -- Licenses required.**

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

20           **44-20-3. Penalties for unlicensed business.**

21           Any distributor or dealer who sells, offers for sale, or possesses with intent to sell, cigarettes  
22 and/or any other tobacco products [and/or any electronic nicotine-delivery system products](#) without  
23 a license as provided in § 44-20-2, shall be guilty of a misdemeanor, and shall be fined not more  
24 than ten thousand dollars (\$10,000) for each offense, or be imprisoned for a term not to exceed one  
25 (1) year, or be punished by both a fine and imprisonment. [Any electronic nicotine-delivery system  
26 products distributor or dealer licensed by the Department of Health pursuant to Chapter 1 of Title  
27 23 of the Rhode Island General Laws as of the effective date of the transfer of licensing of electronic  
28 nicotine-delivery system products distributors and dealers under this chapter shall be considered  
29 licensed for purposes of compliance with this chapter until the renewal of that license immediately  
30 following the enactment of this chapter.](#)

31           **44-20-4. Application for license -- Display.**

32           All licenses are issued by the tax administrator upon approval of application, stating, on  
33 forms prescribed by the tax administrator, the information he or she may require for the proper  
34 administration of this chapter. Each application for an importer's, or distributor's license shall be

1 accompanied by a fee of one thousand dollars (\$1,000); provided, that for a distributor who does  
2 not affix stamps, the fee shall be ~~one~~ two hundred fifty dollars (~~\$100~~250.00); each application for  
3 a dealer's license shall be accompanied by an application fee of ~~twenty-seventy-five~~  
4 (~~\$275.00~~) and a license fee of two-hundred and fifty dollars (\$250.00). Each issued license shall  
5 be prominently displayed on the premises within this state, if any, covered by the license. In the  
6 instance of an application for a distributor's license, the administrator shall require, in addition to  
7 other information as may be deemed necessary, the filing of affidavits from three (3) cigarette  
8 manufacturers with national distribution stating that the manufacturer will supply the distributor if  
9 the applicant is granted a license.

10 **44-20-5. Duration of importer's and dealer's licenses -- Renewal.**

11 (a) Any importer license and any license issued by the tax administrator authorizing a  
12 dealer to sell cigarettes and/or other tobacco products and/or electronic nicotine-delivery system  
13 products in this state shall expire at midnight on June 30 next succeeding the date of issuance unless  
14 (1) suspended or revoked by the tax administrator, (2) the business with respect to which the license  
15 was issued changes ownership, (3) the importer or dealer ceases to transact the business for which  
16 the license was issued, or (4) after a period of time set by the administrator; provided such period  
17 of time shall not be longer than three (3) years, in any of which cases the license shall expire and  
18 terminate and the holder shall immediately return the license to the tax administrator.

19 (b) Every holder of a dealer's license shall annually, on or before February 1 of each year,  
20 renew its license by filing an application for renewal along with ~~twenty-five~~ two hundred fifty  
21 dollars (~~\$25.00~~) (\$250.00) renewal fee. The renewal license is valid for the period July 1 of that  
22 calendar year through June 30 of the subsequent calendar year.

23 **44-20-8.2. Transactions only with licensed manufacturers, importers, distributors,**  
24 **and dealers.**

25 A manufacturer or importer may sell or distribute cigarettes and/or other tobacco products,  
26 electronic nicotine-delivery system products and/or e-liquid products to a person located or doing  
27 business within this state, only if such person is a licensed importer or distributor. An importer may  
28 obtain cigarettes and/or other tobacco products and/or e-liquid products only from a licensed  
29 manufacturer. A distributor may sell or distribute cigarettes and/or other tobacco products and/or  
30 e-liquid products to a person located or doing business within this state, only if such person is a  
31 licensed distributor or dealer. A distributor may obtain cigarettes and/or other tobacco products  
32 and/or e-liquid products only from a licensed manufacturer, importer, or distributor. A dealer may  
33 obtain cigarettes and/or other tobacco products and/or e-liquid products only from a licensed  
34 distributor. Any smoking bar as defined in 23-20.10-2(20) shall be exempt from the requirement in



1 [this section only with respect to other tobacco products.](#)

2 SECTION 14. Effective August 1, 2019, Sections 44-20-12, 44-20-12.7, and, 44-20-13 of  
3 the General Laws in Chapter 44-20 entitled "Cigarette and Other Tobacco Products Tax" are hereby  
4 amended to read as follows:

5 **44-20-12. Tax imposed on cigarettes sold.**

6 A tax is imposed on all cigarettes sold or held for sale in the state. The payment of the tax  
7 to be evidenced by stamps, which may be affixed only by licensed distributors to the packages  
8 containing such cigarettes. Any cigarettes on which the proper amount of tax provided for in this  
9 chapter has been paid, payment being evidenced by the stamp, is not subject to a further tax under  
10 this chapter. The tax is at the rate of ~~two hundred twelve and one half (212.5)~~ [two hundred twenty-](#)  
11 [five \(225\)](#) mills for each cigarette.

12 **44-20-12.7. Floor stock tax on cigarettes and stamps.**

13 [\(a\) Each person engaging in the business of selling cigarettes at retail in this state shall pay](#)  
14 [a tax or excise to the state for the privilege of engaging in that business during any part of the](#)  
15 [calendar year 2019. In calendar year 2019, the tax shall be measured by the number of cigarettes](#)  
16 [held by the person in this state at 12:01 a.m. on August 1, 2019 and is computed at the rate of twelve](#)  
17 [and one half \(12.5\) mills for each cigarette on August 1, 2019.](#)

18 [\(b\) Each distributor licensed to do business in this state pursuant to this chapter shall pay a](#)  
19 [tax or excise to the state for the privilege of engaging in that business during any part of the calendar](#)  
20 [year 2019. The tax is measured by the number of stamps, whether affixed or to be affixed to](#)  
21 [packages of cigarettes, as required by § 44-20-28. In calendar year 2019 the tax is measured by the](#)  
22 [number of stamps, whether affixed or to be affixed, held by the distributor at 12:01 a.m. on August](#)  
23 [1, 2019, and is computed at the rate of twelve and one half \(12.5\) mills per cigarette in the package](#)  
24 [to which the stamps are affixed or to be affixed.](#)

25 [\(c\) Each person subject to the payment of the tax imposed by this section shall, on or before](#)  
26 [August 15, 2019, file a return, under oath or certified under the penalties of perjury, with the tax](#)  
27 [administrator on forms furnished by him or her, showing the amount of cigarettes and the number](#)  
28 [of stamps in that person's possession in this state at 12:01 a.m. on August 1, 2019, as described in](#)  
29 [this section above, and the amount of tax due, and shall at the time of filing the return pay the tax](#)  
30 [to the tax administrator. Failure to obtain forms shall not be an excuse for the failure to make a](#)  
31 [return containing the information required by the tax administrator.](#)

32 [\(d\) The tax administrator may prescribe rules and regulations, not inconsistent with law](#)  
33 [regarding the assessment and collection of the tax imposed by this section.](#)

34 **44-20-13. Tax imposed on unstamped cigarettes.**

1 A tax is imposed at the rate of ~~two hundred twelve and one half (212.5)~~ two hundred  
2 twenty-five (225) mills for each cigarette upon the storage or use within this state of any cigarettes  
3 not stamped in accordance with the provisions of this chapter in the possession of any consumer  
4 within this state.

5 SECTION 15. Effective August 1, 2019 unless otherwise specified herein, Section 44-20-  
6 13.2 of the General Laws in Chapter 44-20 entitled "Cigarette and Other Tobacco Products Tax" is  
7 hereby amended to read as follows:

8 **44-20-13.2. Tax imposed on other tobacco products, smokeless tobacco, cigars, and**  
9 **pipe tobacco products, and e-liquid products.**

10 (a) A tax is imposed on all other tobacco products, smokeless tobacco, cigars, ~~and~~ pipe  
11 tobacco products, and e-liquid products sold, or held for sale in the state by any person, the payment  
12 of the tax to be accomplished according to a mechanism established by the administrator, division  
13 of taxation, department of revenue. The tax imposed by this section shall be as follows:

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

16 (2) Notwithstanding the eighty percent (80%) rate in subsection (a) above, in the case of  
17 cigars, the tax shall not exceed ~~fifty~~ eighty cents (\$.850) for each cigar.

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

23 (4) Effective September 1, 2019, at the rate of forty percent (40%) of the wholesale cost of  
24 e-liquid products as defined herein.

25 ~~(b) Any dealer having in his or her possession any other tobacco products with respect to~~  
26 ~~the storage or use of which a tax is imposed by this section shall, within five (5) days after coming~~  
27 ~~into possession of the other tobacco products in this state, file a return with the tax administrator in~~  
28 ~~a form prescribed by the tax administrator. The return shall be accompanied by a payment of the~~  
29 ~~amount of the tax shown on the form to be due.~~ Any smoking bar as defined in 23-20.10-2(20)  
30 having in his or her possession any other tobacco products with respect to the storage or use of  
31 which a tax is imposed by this section shall, within five (5) days after coming into possession of  
32 the other tobacco products in this state, file a return with the tax administrator in a form prescribed  
33 by the tax administrator. The return shall be accompanied by a payment of the amount of the tax  
34 shown on the form to be due. Records required under this section shall be preserved on the premises

1 described in the relevant license in such a manner as to ensure permanency and accessibility for  
2 inspection at reasonable hours by authorized personnel of the administrator.

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

4 SECTION 16. Effective September 1, 2019, Sections 44-20-15, 44-20-33, 44-20-35, 44-  
5 20-40, 44-20-40.1, 44-20-43, 44-20-45, 44-20-47 and 44-20-51.1 of the General Laws in Chapter  
6 44-20 entitled "Cigarette and Other Tobacco Products Tax" are hereby amended to read as follows:

7 **44-20-15. Confiscation of contraband cigarettes, other tobacco products, e-liquid**  
8 **products, and other property.**

9 (a) All cigarettes, ~~and~~ other tobacco products, [and/or e-liquid products](#) that are held for sale  
10 or distribution within the borders of this state in violation of the requirements of this chapter are  
11 declared to be contraband goods and may be seized by the tax administrator or his or her agents, or  
12 employees, or by any sheriff, or his or her deputy, or any police officer when directed by the tax  
13 administrator to do so, without a warrant. All contraband goods seized by the state under this  
14 chapter shall be destroyed.

15 (b) All fixtures, equipment, and all other materials and personal property on the premises  
16 of any distributor or dealer who, with the intent to defraud the state, fails to keep or make any  
17 record, return, report, or inventory; keeps or makes any false or fraudulent record, return, report, or  
18 inventory required by this chapter; refuses to pay any tax imposed by this chapter; or attempts in  
19 any manner to evade or defeat the requirements of this chapter shall be forfeited to the state.

20 **44-20-33. Sale of contraband cigarettes, ~~or~~ contraband other tobacco products or**  
21 **contraband e-liquid products ~~prohibited~~.**

22 No distributor shall sell, and no other person shall sell, offer for sale, display for sale, or  
23 possess with intent to sell any contraband other tobacco products without written record of the  
24 payment of tax imposed by this chapter, or contraband e-liquid products [without written record of](#)  
25 [the payment of tax imposed by this chapter or contraband cigarettes, the packages or boxes of which](#)  
26 [do not bear stamps evidencing the payment of the tax imposed by this chapter.](#)

27 **44-20-35. Penalties for violations as to unstamped contraband cigarettes, ~~or~~**  
28 **contraband other tobacco products, or contraband e-liquid products..**

29 (a) Any person who violates any provision of §§ 44-20-33 and 44-20-34 shall be fined or  
30 imprisoned, or both fined and imprisoned, as follows:

31 (1) For a first offense in a twenty-four-month (24) period, fined not more than ten (10)  
32 times the retail value of the contraband cigarettes, [contraband e-liquid products and/or](#) contraband  
33 other tobacco products, or be imprisoned not more than one (1) year, or be both fined and  
34 imprisoned;

1 (2) For a second or subsequent offense in a twenty-four-month (24) period, fined not more  
2 than twenty-five (25) times the retail value of the contraband cigarettes, [contraband e-liquid](#)  
3 [products](#) and/or contraband other tobacco products, or be imprisoned not more than three (3) years,  
4 or be both fined and imprisoned.

5 (b) When determining the amount of a fine sought or imposed under this section, evidence  
6 of mitigating factors, including history, severity, and intent shall be considered.

7 **44-20-40. Records -- Investigation and inspection of books, premises and stock.**

8 (a) Each manufacturer, importer, distributor, and dealer shall maintain copies of invoices  
9 or equivalent documentation for, or itemized for, each of its facilities for each transaction (other  
10 than a retail transaction with a consumer) involving the sale, purchase, transfer, consignment, or  
11 receipt of cigarettes, [other tobacco products and e-liquid products](#). The invoices or documentation  
12 shall show the name and address of the other party and the quantity by brand style of the cigarettes,  
13 [other tobacco products and contraband e-liquid products](#) involved in the transaction. All records  
14 and invoices required under this section must be safely preserved for three (3) years in a manner to  
15 insure permanency and accessibility for inspection by the administrator or his or her authorized  
16 agents.

17 (b) Records required under this section shall be preserved on the premises described in the  
18 relevant license in such a manner as to ensure permanency and accessibility for inspection at  
19 reasonable hours by authorized personnel of the administrator. With the administrator's permission,  
20 persons with multiple places of business may retain centralized records, but shall transmit  
21 duplicates of the invoices or the equivalent documentation to each place of business within twenty-  
22 four (24) hours upon the request of the administrator or his or her designee.

23 (c) The administrator or his or her authorized agents may examine the books, papers,  
24 reports and records of any manufacturer, importer, distributor or dealer in this state for the purpose  
25 of determining whether taxes imposed by this chapter have been fully paid, and may investigate  
26 the stock of cigarettes, [other tobacco products and/or electronic nicotine-delivery system products](#)  
27 in or upon any premises for the purpose of determining whether the provisions of this chapter are  
28 being obeyed. The administrator in his or her sole discretion may share the records and reports  
29 required by such sections with law enforcement officials of the federal government or other states.

30 **44-20-40.1. Inspections.**

31 (a) The administrator or his or her duly authorized agent shall have authority to enter and  
32 inspect, without a warrant during normal business hours, and with a warrant during nonbusiness  
33 hours, the facilities and records of any manufacturer, importer, distributor, or dealer.

34 (b) In any case where the administrator or his or her duly authorized agent, or any police

1 officer of this state, has knowledge or reasonable grounds to believe that any vehicle is transporting  
2 cigarettes, ~~or~~ other tobacco products [or contraband e-liquid products](#) in violation of this chapter,  
3 the administrator, such agent, or such police officer, is authorized to stop such vehicle and to inspect  
4 the same for contraband cigarettes, ~~or~~ [contraband](#) other tobacco products [or contraband e-liquid](#)  
5 [products](#).

6 **44-20-43. Violations as to reports and records.**

7 Any person who fails to submit the reports required in this chapter or by the tax  
8 administrator under this chapter, or who makes any incomplete, false, or fraudulent report, or who  
9 refuses to permit the tax administrator or his or her authorized agent to examine any books, records,  
10 papers, or stocks of cigarettes, ~~or~~ other tobacco products [or electronic nicotine-delivery system](#)  
11 [products](#) as provided in this chapter, or who refuses to supply the tax administrator with any other  
12 information which the tax administrator requests for the reasonable and proper enforcement of the  
13 provisions of this chapter, shall be guilty of a misdemeanor punishable by imprisonment up to one  
14 (1) year, or a fine of not more than five thousand dollars (\$5,000), or both, for the first offense, and  
15 for each subsequent offense, shall be fined not more than ten thousand dollars (\$10,000), or be  
16 imprisoned not more than five (5) years, or both.

17 **44-20-45. Importation of cigarettes, ~~and/or~~ other tobacco products, and/or e-liquid**  
18 **products with intent to evade tax.**

19 Any person, firm, corporation, club, or association of persons who or that orders any  
20 cigarettes, ~~and/or~~ other tobacco products, [and/or electronic nicotine-delivery system products](#) for  
21 another; or pools orders for cigarettes, ~~and/or~~ other tobacco products, [and/or electronic nicotine-](#)  
22 [delivery system products](#) from any persons; or conspires with others for pooling orders; or receives  
23 in this state any shipment of contraband cigarettes, ~~and/or~~ contraband other tobacco products,  
24 [and/or contraband e-liquid products](#) on which the tax imposed by this chapter has not been paid,  
25 for the purpose and intention of violating the provisions of this chapter or to avoid payment of the  
26 tax imposed in this chapter, is guilty of a felony and shall be fined one hundred thousand dollars  
27 (\$100,000) or five (5) times the retail value of the cigarettes, [other tobacco products, and/or e-liquid](#)  
28 [products](#) involved, whichever is greater, or imprisoned not more than fifteen (15) years, or both.

29 **44-20-47. Hearings by tax administrator.**

30 Any person aggrieved by any action under this chapter of the tax administrator or his or  
31 her authorized agent for which a hearing is not elsewhere provided may apply to the tax  
32 administrator, in writing, within thirty (30) days of the action for a hearing, stating the reasons why  
33 the hearing should be granted and the manner of relief sought. The tax administrator shall notify  
34 the applicant of the time and place fixed for the hearing. After the hearing, the tax administrator

1 may make the order in the premises as may appear to the tax administrator just and lawful and shall  
2 furnish a copy of the order to the applicant. The tax administrator may, by notice in writing, at any  
3 time, order a hearing on his or her own initiative and require the taxpayer or any other individual  
4 whom the tax administrator believes to be in possession of information concerning any  
5 manufacture, importation, or sale of; cigarettes, [other tobacco products, and/or e-liquid products](#) to  
6 appear before the tax administrator or his or her authorized agent with any specific books of  
7 account, papers, or other documents, for examination relative to the hearing.

8 **44-20-51.1. Civil penalties.**

9 (a) Whoever omits, neglects, or refuses to comply with any duty imposed upon him/her by  
10 this chapter, or to do, or cause to be done, any of the things required by this chapter, or does  
11 anything prohibited by this chapter, shall, in addition to any other penalty provided in this chapter,  
12 be liable as follows:

13 (1) For a first offense in a twenty-four-month (24) period, a penalty of not more than ten  
14 (10) times the retail value of the cigarettes, ~~and/or~~ other tobacco products [and/or e-liquid products](#)  
15 involved; and

16 (2) For a second or subsequent offense in a twenty-four-month (24) period, a penalty of  
17 not more than twenty-five (25) times the retail value of the cigarettes, ~~and/or~~ other tobacco products  
18 [and/or contraband e-liquid products](#) involved.

19 (b) Whoever fails to pay any tax imposed by this chapter at the time prescribed by law or  
20 regulations, shall, in addition to any other penalty provided in this chapter, be liable for a penalty  
21 of one thousand dollars (\$1,000) or not more than five (5) times the tax due but unpaid, whichever  
22 is greater.

23 (c) When determining the amount of a penalty sought or imposed under this section,  
24 evidence of mitigating or aggravating factors, including history, severity, and intent, shall be  
25 considered.

26 SECTION 17. Sections 44-44-3 and 44-44-3.7 of the General Laws in Chapter 44-44  
27 entitled "Taxation of Beverage Containers, Hard-to-Dispose Material and Litter Control  
28 Participation Permittee" are hereby amended to read as follows:

29 **44-44-3. Imposition of tax on beverage containers.**

30 There shall be levied and imposed a tax of ~~four cents (\$0.04)~~ [eight cents \(\\$0.08\)](#) on each  
31 case of beverage containers sold by a beverage wholesaler to a beverage retailer or consumer within  
32 this state. The tax shall be collected by the beverage wholesaler. The tax provided for in this section  
33 shall not be levied, imposed, or collected on reusable and refillable beverage containers.

34 **44-44-3.7. Imposition of tax on hard-to-dispose material.**

1 (a) There shall be levied and imposed a tax of ~~five cents (\$0.05)~~ ten cents (\$0.10) per quart  
2 (32 oz.) or ~~five and 3/10th cents (\$0.053)~~ ten and 6/10 cents (\$0.106) per liter on lubricating oils,  
3 ~~ten cents (\$0.10)~~ twenty cents (\$0.20) per gallon or ~~two and 64/100th cents (\$0.0264)~~ five and  
4 28/100th cents (\$0.0528) per liter on antifreeze, ~~one fourth of one cent (\$.0025)~~ one half cent  
5 (\$0.005) per gallon or ~~66/10,000ths cents (\$.00066)~~ one hundred thirty two thousandths (\$0.00132)  
6 per liter on organic solvents, and ~~fifty cents (\$.50)~~ one dollar (\$1.00) per tire as defined above. The  
7 tax shall be separately stated and collected upon the sale by the hard-to-dispose material  
8 wholesalers to a hard-to-dispose material retailer. In the case of new motor vehicles, a fee of ~~three~~  
9 ~~dollars (\$3.00)~~ six dollars (\$6.00) per vehicle shall be levied and paid to the division of motor  
10 vehicles in conjunction with titling of the vehicle. Every hard-to-dispose material retailer selling,  
11 using, or otherwise consuming in this state any hard-to-dispose material is liable for the tax imposed  
12 by this section. Its liability is not extinguished until the tax has been paid to the state, except that a  
13 receipt from a hard-to-dispose material wholesaler engaging in business in this state or from a hard-  
14 to-dispose material wholesaler who is authorized by the tax administrator to collect the tax under  
15 rules and regulations that he or she may prescribe given to the hard-to-dispose material retailer is  
16 sufficient to relieve the hard-to-dispose material retailer from further liability for the tax to which  
17 the receipt refers.

18 (b) In the event that a person purchases hard-to-dispose material for its own use or  
19 consumption and not for resale from a hard-to-dispose material wholesaler or retailer not engaged  
20 in business in this state or not authorized by the tax administrator to collect the tax, that person  
21 shall be liable for the tax imposed by this section.

22 SECTION 18. Effective October 1, 2019, Title 44 of the General Laws entitled  
23 "TAXATION" is hereby amended by adding thereto the following chapter:

24 CHAPTER 70

25 FIREARMS AND FIREARM AMMUNITION EXCISE TAX

26 **44-70-1. Short title.**

27 Chapter 70 of this title may be known and cited as the "Firearm and Firearm Ammunition  
28 Excise Tax Act".

29 **44-70-2. Definitions.**

30 The following words, terms, and phrases, when used in this chapter, shall have the  
31 meanings ascribed to them in this Section, except where the context clearly indicates a different  
32 meaning:

33 (a) "Firearm" shall have the same meaning as set forth in 18 U.S. Code § 921(a)(3).

34 (b) "Firearm ammunition" shall have the same meaning as "Ammunition" as set forth in

1 18 U.S. Code § 921(a)(17)(A).

2 (c) "State" means the State of Rhode Island and Providence Plantations.

3 (d) Tax Administrator means the tax administrator within the department of revenue for  
4 the State

5 (e) "Person" means person as defined in § 44-18-6.

6 (f) "Purchaser" means any person who purchases a firearm or firearm ammunition in a  
7 retail purchase in the State of Rhode Island.

8 (g) "Retail dealer" or "retailer" means any person who engages in the business of selling  
9 firearms or firearm ammunition on a retail level in the State or to a person in the State, as defined  
10 in § 44-18-15

11 (h) "Retail purchase" means any transaction in which a person in the State acquires  
12 ownership by tendering consideration on a retail level.

13 **44-70-3. Rules and Regulations.**

14 The tax administrator may promulgate rules and regulations, not inconsistent with law, to  
15 carry into effect the provisions of this chapter.

16 **44-70-4. Collection of tax by retailer.**

17 Every retailer engaging in business in this state and making sales of Firearms or Firearm  
18 Ammunition, for storage, use, or other consumption in this state, not exempted under this chapter  
19 shall, at the time of making the sales, or if the storage, use, or other consumption of the tangible  
20 personal property is not then taxable under this chapter, at the time the storage, use, or other  
21 consumption becomes taxable, collect the tax from the purchaser and give to the purchaser a receipt  
22 in the manner and form prescribed by the tax administrator.

23 **44-70-5. Exemptions.**

24 (a) Notwithstanding any other provision of this chapter, in accordance with rules that may  
25 be promulgated by the tax administrator in regard to tax exempt purchases, retail dealers shall not  
26 collect the firearms or firearm ammunition tax when the firearms and/or firearm ammunition is  
27 being sold to the following:

28 (1) An office, division, or agency of the United States, the State of Rhode Island, or any  
29 municipal corporation or political subdivision, including the Armed Forces of the United States or  
30 National Guard.

31 (2) A bona fide veterans' organization which receive firearms and/or firearm ammunition  
32 directly from the Armed Forces of the United States and uses said firearms and/or firearm  
33 ammunition strictly and solely for ceremonial purposes with blank ammunition.

34 (3) Any active sworn law enforcement officer purchasing a firearm and/or firearm



1 ammunition for official or training related purposes presenting an official law enforcement  
2 identification card at the time of purchase.

3 (b) In accordance with rules to be promulgated by the tax administrator, an active member  
4 of the Armed Forces of the United States, National Guard or deputized law enforcement officer  
5 may apply for a refund from the department for the tax paid on a firearm and/or firearm ammunition  
6 that was purchased for official use or training related purposes.

7 (c) Notwithstanding any other provision in this chapter, in accordance with rules that may  
8 be promulgated by the tax administrator in regard to tax-exempt purchases, retail dealers shall not  
9 collect firearm ammunition tax on blank ammunition.

10 **44-70-6. Tax Imposed.**

11 The retailer shall add the tax imposed by this chapter to the sale price or charge, and when  
12 added the tax constitutes a part of the price or charge, is a debt from the consumer or user to the  
13 retailer, and is recoverable at law in the same manner as other debts; provided, that the amount of  
14 tax that the retailer collects from the consumer or user is as follows:

15 Amount of Fair Market Value, as Tax

16 <u>\$0.01 to \$ .09 inclusive</u>	<u>No Tax</u>
17 <u>.10 to .19 inclusive</u>	<u>.01</u>
18 <u>.20 to .29 inclusive</u>	<u>.02</u>
19 <u>.30 to .39 inclusive</u>	<u>.03</u>
20 <u>.40 to .49 inclusive</u>	<u>.04</u>
21 <u>.50 to .59 inclusive</u>	<u>.05</u>
22 <u>.60 to .69 inclusive</u>	<u>.06</u>
23 <u>.70 to .79 inclusive</u>	<u>.07</u>
24 <u>.80 to .89 inclusive</u>	<u>.08</u>
25 <u>.90 to .99 inclusive</u>	<u>.09</u>
26 <u>.100 to .109 inclusive</u>	<u>.10</u>

27 and where the amount of the sale is more than one dollar and nine cents (\$1.09) the amount  
28 of the tax is computed at the rate of ten percent (10%)

29 Tax Included in Sales Price.

30 It shall be deemed a violation of this chapter for a retail dealer to fail to separately state the  
31 tax imposed in this chapter and instead include it in the sale price of firearms and/or firearm  
32 ammunition. The tax levied in this article shall be imposed in addition to all other taxes imposed  
33 by the State, or any municipal corporation or political subdivision of any of the foregoing.

34 (b) Any person who shall receive firearms or firearm ammunition in any form and under

1 any circumstances that shall preclude the collection of the tax provided for in this chapter, and shall  
2 then sell or use the firearm or Firearm ammunition in any manner and under any circumstances that  
3 shall render the sale or use subject to the tax, shall use the same form, pay the same taxes, and be  
4 subject to all other provisions of this chapter relating to tax.

5 **44-70-7. Tax Collection.**

6 (a) Tax Collection.

7 Any retail dealer shall collect the taxes imposed by this chapter from any purchaser to  
8 whom the sale of said firearms or firearm ammunition is made within the State and shall remit to  
9 the State the tax levied by this chapter.

10 (b) Tax Remittance.

11 It shall be the duty of every retail dealer to remit the tax due on the sales of firearms or  
12 firearm ammunition purchased in the State, on forms prescribed by the tax administrator, on or  
13 before the 20th day of the month following the month in which the firearm or firearm ammunition  
14 sale occurred on a form and in the manner required by the tax administrator.

15 (c) If for any reason a retail dealer fails to collect the tax imposed by this chapter from the  
16 purchaser, the purchaser shall file a return and pay the tax directly to the State, on or before the  
17 date required by Subsection (b) of this Section.

18 **44-70-8. Penalties.**

19 (a) Failure to file tax returns or to pay tax. In the case of failure:

20 (1) To file the tax return on or before the prescribed date, unless it is shown that the failure  
21 is due to reasonable cause and not due to willful neglect, an addition to tax shall be made equal to  
22 ten percent (10%) of the tax required to be reported. For this purpose, the amount of tax required  
23 to be reported shall be reduced by an amount of the tax paid on or before the date prescribed for  
24 payment and by the amount of any credit against the tax which may properly be claimed upon the  
25 return;

26 (2) To pay the amount shown as tax on the personal income tax return on or before the  
27 prescribed date for payment of the tax unless it is shown that the failure is due to reasonable cause  
28 and not due to willful neglect, there shall be added to the amount shown as tax on the return ten  
29 percent (10%) of the amount of the tax.

30 (b) Negligence. If any part of a deficiency is due to negligence or intentional disregard of  
31 the Rhode Island General Laws or rules or regulations under this chapter (but without intent to  
32 defraud), five percent (5%) of that part of the deficiency shall be added to the tax.

33 (c) Fraud. If any part of a deficiency is due to fraud, fifty percent (50%) of that part of the  
34 deficiency shall be added to the tax. This amount shall be in lieu of any other additional amounts

1 imposed by subsections (a) and (b) of this section.

2 (d) Failure to collect and pay over tax. Any person required to collect, truthfully account  
3 for, and pay over the firearm and Firearm ammunition tax who willfully fails to collect the tax or  
4 truthfully account for and pay over the tax or willfully attempts in any manner to evade or defeat  
5 the tax or the payment thereof, shall, in addition to other penalties provided by law, be liable to a  
6 civil penalty equal to the total amount of the tax evaded, or not collected, or not accounted for and  
7 paid over.

8 (e) Additions and penalties treated as tax. The additions to the tax and civil penalties  
9 provided by this section shall be paid upon notice and demand and shall be assessed, collected, and  
10 paid in the same manner as taxes.

11 (g) Bad checks. If any check or money order in payment of any amount receivable under  
12 this title is not duly paid, in addition to any other penalties provided by law, there shall be paid as  
13 a penalty by the person who tendered the check, upon notice and demand by the tax administrator  
14 or his or her delegate, in the same manner as tax, an amount equal to one percent (1%) of the amount  
15 of the check, except that if the amount of the check is less than five hundred dollars (\$500), the  
16 penalty under this section shall be five dollars (\$5.00). This subsection shall not apply if the person  
17 tendered the check in good faith and with reasonable cause to believe that it would be duly paid.

18 (h) Misuse of Trust Funds Any retailer and any officer, agent, servant, or employee of any  
19 corporate retailer responsible for either the collection or payment of the tax, who appropriates or  
20 converts the tax collected to his or her own use or to any use other than the payment of the tax to  
21 the extent that the money required to be collected is not available for payment on the due date as  
22 prescribed in this chapter, shall upon conviction for each offense be fined not more than ten  
23 thousand dollars (\$10,000), or be imprisoned for one year, or by both fine and imprisonment, both  
24 fine and imprisonment to be in addition to any other penalty provided by this chapter.

25 (i) Operating without a Firearm License A person who engages in business as a firearm or  
26 firearm ammunition retailer in this state without a license as defined in § 11-47-38 or after said  
27 license has been suspended or revoked, and each officer of any corporation which engages in  
28 business as a firearm or firearm ammunition retailer in this state without a license as defined in §  
29 11-47-38 or after said license has been suspended or revoked, is guilty of a misdemeanor, and shall  
30 be fined not more than five thousand dollars (\$5,000) for each offense, or be imprisoned not  
31 exceeding one year, or be punished by both fine and imprisonment. Each day in which the person  
32 engages in business constitutes a separate offense.

33 **44-70-9, Claim for Refund.**

34 Whenever the tax administrator determines that any person is entitled to a refund of any

1 moneys paid by a person under the provisions of this chapter, or whenever a court of competent  
2 jurisdiction orders a refund of any moneys paid, the general treasurer shall, upon certification by  
3 the tax administrator and with the approval of the director of administration, pay the refund from  
4 any moneys in the treasury not appropriated without any further act or resolution making  
5 appropriation for the refund. No refund is allowed unless a claim is filed with the tax administrator  
6 within three (3) years from the fifteenth (15th) day after the close of the month for which the  
7 overpayment was made.

8 **44-70-10. Enforcement.**

9 (a) General. The tax administrator shall administer and enforce this chapter and may  
10 require any facts and information to be reported that he or she may deem necessary to enforce the  
11 provisions of this chapter.

12 (b) Examination of books and witnesses. For the purpose of ascertaining the correctness  
13 of any filing or notice or for the purpose of compliance with the terms of this chapter, the tax  
14 administrator shall have the power to examine or to cause to have examined, by any agent or  
15 representative designated by the tax administrator for that purpose, any books, papers, records, or  
16 memoranda bearing upon said matters and may require the attendance of the person rendering the  
17 return or any officer or employee of the person, or the attendance of any other person having  
18 knowledge of the correctness of any filing or notice or compliance with the terms of this chapter,  
19 and may take testimony and require proof material for its information, with power to administer  
20 oaths to the person or persons.

21 **44-70-12. Appeal.**

22 If the tax administrator issues a final determination hereunder, an appeal may be made  
23 pursuant to the provisions of chapter 19 of title 44.

24 **44-70-13. Severability.**

25 If any provision of this chapter or the application thereof is held invalid, such invalidity  
26 shall not affect the provisions or applications of this chapter which can be given effect without the  
27 invalid provisions or applications.

28 SECTION 19. Sections 46-12.7-4.1 and 46-12.7-5.1 of the General Laws in Chapter 46-  
29 12.7 entitled "Oil Spill Prevention, Administration and Response Fund" are hereby amended to  
30 read as follows:

31 **46-12.7-4.1. Uniform oil response and prevention fee.**

32 (a) A uniform oil spill response and prevention fee in an amount not exceeding ~~five cents~~  
33 ~~(\$.05)~~ ten cents (\$.10) for each barrel of petroleum products, as set by the director pursuant to  
34 subsection (d) of this section, shall be imposed upon every person owning petroleum products at

1 the time the petroleum products are received at a marine terminal within this state by means of a  
2 vessel from a point of origin outside this state. The fee shall be remitted to the division of taxation  
3 on the 30th day of each month based upon the number of barrels of petroleum products received  
4 during the preceding month.

5 (b) Every owner of petroleum products shall be liable for the fee until it has been paid to  
6 the state, except that payment to a marine terminal operator registered under this chapter is  
7 sufficient to relieve the owner from further liability for the fee; provided, however, that the fee for  
8 asphalt products and asphalt derivatives shall be one cent (\$.01) per barrel of asphalt products or  
9 derivatives.

10 (c) Whenever the director, in consultation with the department and the division of taxation,  
11 estimates that the amount in the fund will reach the amount specified in subsection (e) of this  
12 section, and the money in the fund is not required for the purposes specified in § 46-12.7-5.1, the  
13 director shall instruct the division of taxation to cease collecting the fee.

14 (d) The director shall set the amount of the oil spill prevention and response fees. The  
15 administrator, except for the fee set out in subsection (b), shall not set the amount of the fee at less  
16 than ~~five cents (\$0.05)~~ ten cents (\$.10) for each barrel of petroleum products or crude oil, unless  
17 the director finds that the assessment of a lesser fee will cause the fund to reach the designated  
18 amount within six (6) months.

19 (e) For the purposes of this chapter, "designated amount" means an amount equal to ten  
20 million dollars (\$10,000,000), adjusted for inflation after January 1, 1998, according to an index  
21 which the director may reasonably choose.

22 (f) All fees collected pursuant to this section shall be deposited in the oil spill prevention,  
23 administration, and response fund, and shall be disbursed according to the purposes expressed in §  
24 46-12.7-5.1.

25 (g) Notwithstanding the provisions of subsection (f) of this section, each July 1st, two  
26 hundred and fifty thousand dollars (\$250,000) of the fees collected under this section shall be  
27 deposited into the coastal and estuarine habitat restoration trust fund (the "trust").

28 **46-12.7-5.1. Purposes of the fund.**

29 The director may use money from the fund to:

30 (1) Provide funds to cover promptly the costs of response, containment, and cleanup of oil  
31 spills into marine or estuarine waters, including, but not limited to, damage assessment costs, and  
32 wildlife rehabilitation as defined in this section.

33 (2) Provide funds to cover the costs of site evaluation activities. These activities shall  
34 include, but not be limited to, site mapping, installation of wells, collection, monitoring, and

1 analysis of samples of air, soil, and/or water, and evaluation of the impacts of contamination on  
2 maritime and terrestrial shore line environments, production of the reports, and installation and the  
3 maintenance of necessary technology, and equipment for complete remedial action;

4 (3) Provide emergency loans and to cover response and cleanup costs and other damages  
5 suffered by the state or other persons or entities from oil spills or threatened oil spills;

6 (4) To pay for claims for damages, which cannot otherwise be compensated by responsible  
7 parties or the federal government, pursuant to § 46-12.7-8.1;

8 (5) Provide emergency loans to affected workers ineligible for unemployment insurance;

9 (6) Pay for structural improvements to vulnerable coastal features, including the  
10 Providence River Shipping Canal, in order to reduce the risk of oil tanker collisions, grounding,  
11 and spills;

12 (7) Pay for the restoration of natural resources damaged by an oil spill, where necessary  
13 and appropriate;

14 (8) Pay for response training and equipment;

15 (9) Pay for large-scale personnel drills and exercises;

16 (10) Pay for research, development, and monitoring activities as outlined in § 46-12.7-13;  
17 and

18 (11) Pay for the expenditures related to the Rhode Island coastal and estuarine habitat  
19 restoration trust fund pursuant to chapter 23.1 of this title, subject to appropriation; and

20 (12) Pay for the expenditures related to compliance and monitoring activities for storm  
21 water management and brownfields remediation.

22 SECTION 20. **Effective Date.** Section 7 shall take effect July 1, 2019. Sections 14 and 15  
23 of this article shall take effect August 1, 2019. Section 16 shall take effect September 1, 2019.  
24 Sections 1, 9, 12 and 18 of this article shall take effect October 1, 2019. The remaining sections of  
25 this article shall take effect upon passage.