



1 this state for at least twelve (12) consecutive months, shall receive a tax exemption on the first fifty  
2 thousand (50,000) gallons of distilled spirits that it produces and distributes in this state in any  
3 calendar year.

4 SECTION 2. Sections 42-63.1-3 and 42-63.1-12 of the General Laws in Chapter 42-63.1  
5 entitled "Tourism and Development" is hereby amended as follows:

6 **42-63.1-3. Distribution of tax.**

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

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

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

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

31 (b) For returns and tax payments received after December 31, 2015, except as provided in  
32 § 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from  
33 residential units offered for tourist or transient use through a hosting platform, shall be distributed  
34 as follows by the division of taxation and the city of Newport:

1 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-  
2 63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-  
3 five (25%) of the tax shall be given to the city or town where the hotel that generated the tax is  
4 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick  
5 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent (28%) of  
6 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this  
7 title.

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

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

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

26 (5) With respect to the tax generated by hotels in districts other than those set forth in  
27 subsections (b)(1) through (b)(4) of this section, forty-two percent (42%) of the tax shall be given  
28 to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five  
29 percent (25%) of the tax shall be given to the city or town where the hotel that generated the tax is  
30 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick  
31 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of the tax  
32 shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

33 (c) For returns and tax payments received before July 1, 2019, the proceeds of the hotel tax  
34 collected from residential units offered for tourist or transient use through a hosting platform shall

1 be distributed as follows by the division of taxation and the city of Newport: twenty-five percent  
2 (25%) of the tax shall be given to the city or town where the residential unit that generated the tax  
3 is physically located, and seventy-five percent (75%) of the tax shall be given to the Rhode Island  
4 commerce corporation established in chapter 64 of this title.

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

9 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments  
10 received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-63.1-  
11 12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from residential  
12 units offered for tourist or transient use through a hosting platform, shall be distributed in  
13 accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of this  
14 section by the division of taxation and the city of Newport.

15 (f) For returns and tax payments received on or after July 1, 2018 [and on or prior to June](#)  
16 [30 2019](#), except as provided in § 42-63.1-12, the proceeds of the hotel tax, excluding the portion of  
17 the hotel tax collected from residential units offered for tourist or transient use through a hosting  
18 platform, shall be distributed as follows by the division of taxation and the city of Newport:

19 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-  
20 63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-  
21 five (25%) of the tax shall be given to the city or town where the hotel that generated the tax is  
22 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick  
23 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent (25%) of the  
24 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

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

31 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,  
32 thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%)  
33 of the tax shall be given to the city or town where the hotel that generated the tax is physically  
34 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick

1 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall  
2 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

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

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

16 (g) For returns and tax payments received on or after July 1, 2019 [and on or prior to June](#)  
17 [30, 2020](#), except as provided in § 42-63.1-12, the proceeds of the hotel tax, including the portion  
18 of the hotel tax collected from residential units offered for tourist or transient use through a hosting  
19 platform, shall be distributed as follows by the division of taxation and the city of Newport:

20 (1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, forty-  
21 five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five percent  
22 (25%) of the tax shall be given to the city or town where the hotel or residential unit that generated  
23 the tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-  
24 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent  
25 (25%) of the tax shall be given to the Rhode Island commerce corporation established in chapter  
26 64 of this title.

27 (2) For the tax generated in the Providence district as defined in § 42-63.1-5, thirty percent  
28 (30%) of the tax shall be given to the Providence district, twenty-five percent (25%) of the tax shall  
29 be given to the city or town where the hotel or residential unit that generated the tax is physically  
30 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick  
31 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the  
32 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

33 (3) For the tax generated in the Warwick district as defined in § 42-63.1-5, thirty percent  
34 (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%) of the tax shall

1 be given to the city or town where the hotel or residential unit that generated the tax is physically  
2 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick  
3 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the  
4 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

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

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

19 (h) For returns and tax payments received on or after July 1, 2020, except as provided in §  
20 42-63.1-12, the proceeds of the hotel tax, including the portion of the hotel tax collected from  
21 residential units offered for tourist or transient use through a hosting platform, shall be distributed  
22 as follows by the division of taxation and the city of Newport:

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

31 (2) For the tax generated in the Providence district as defined in § 42-63.1-5, twenty-five  
32 percent (25%) of the tax shall be given to the Providence district, twenty and eight tenths percent  
33 (20.8%) of the tax shall be given to the city or town where the hotel or residential unit that generated  
34 the tax is physically located, twenty percent (20%) of the tax shall be given to the Greater

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

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

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

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

29 (6) With respect to the revenue collected by the division of taxation on behalf of each  
30 municipality in subsections (h)(1) through (h)(5) of this section, before distributing said revenue to  
31 the municipalities, a two percent (2%) administrative fee shall be deducted therefrom and  
32 transferred to the general fund.

33 **42-63.1-12. Distribution of tax to Rhode Island Convention Center Authority.**

1 (a) For returns and tax received on or before December 31, 2015, the proceeds of the hotel  
2 tax generated by any and all hotels physically connected to the Rhode Island Convention Center  
3 shall be distributed as follows: twenty-seven percent (27%) shall be deposited as general revenues;  
4 thirty-one percent (31%) shall be given to the convention authority of the city of Providence; twelve  
5 percent (12%) shall be given to the greater Providence-Warwick convention and visitor's bureau;  
6 thirty percent (30%) shall be given to the Rhode Island convention center authority to be used in  
7 the furtherance of the purposes set forth in § 42-99-4.

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

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

17 (d) For returns and tax received on or after July 1, 2018 and on or before June 30, 2020,  
18 the proceeds of the hotel tax generated by any and all hotels physically connected to the Rhode  
19 Island Convention Center shall be distributed as follows: thirty percent (30%) shall be given to the  
20 convention authority of the city of Providence; twenty percent (20%) shall be given to the greater  
21 Providence-Warwick convention and visitor's bureau; and fifty percent (50%) shall be given to the  
22 Rhode Island Commerce Corporation established in chapter 64 of title 42.

23 (e) For returns and tax received on or after July 1, 2020, the proceeds of the hotel tax  
24 generated by any and all hotels physically connected to the Rhode Island Convention Center shall  
25 be distributed as follows: twenty-five percent (25%) shall be given to the convention authority of  
26 the city of Providence; sixteen and seven tenths percent (16.7%) shall be given to the greater  
27 Providence-Warwick convention and visitor's bureau; sixteen and seven tenths percent (16.7%) of  
28 the tax shall be given to general revenue; and forty-one and six tenths percent (41.6%) shall be  
29 given to the Rhode Island commerce corporation established in chapter 64 of title 42.

30 (f) With respect to the revenue collected by the division of taxation on behalf of each  
31 municipality in subsection (e) of this section, before distributing said revenue to the municipalities,  
32 a two percent (2%) administrative fee shall be deducted therefrom and transferred to the general  
33 fund.



1 SECTION 3. Chapter 44-1 of the General Laws entitled "State Tax Officials" is hereby  
2 amended by adding thereto the following section:

3 **44-1-11.2 Set-off for delinquent taxes-Reciprocal Agreements for Refunds**

4 **(a) Definitions**

5 **(1) "federal payment offset" is any offset against federal nontax payments to collect state**  
6 **tax debts and/or any nontax debts owed to the state, a state agency or a quasi-public agency, to the**  
7 **extent permitted by law.**

8 **(2) "state payment offset" is any offset against state tax refunds to collect federal nontax**  
9 **debts, to the extent permitted by law.**

10 **(3) "debtor" is any person or entity that owes money to the state, a state agency or a quasi-**  
11 **public agency.**

12 **(b) The tax administrator is hereby authorized to:**

13 **(1) establish and implement a federal payment offset and state payment offset reciprocal**  
14 **program (State Reciprocal Program) with the United States Department of the Treasury pursuant**  
15 **to which the United States Department of the Treasury would offset federal nontax payments to**  
16 **collect state tax debts and/or any nontax debts owed to the state, a state agency, or a quasi-public**  
17 **agency and the tax administrator would offset state tax refunds to collect federal nontax debts;**

18 **(2) enter into an agreement with the United States Department of the Treasury to implement**  
19 **the State Reciprocal Program; and,**

20 **(3) charge the debtor a reasonable fee per transaction for each federal payment offset and**  
21 **such fee may be collected from the debtor by deducting the fee from the amount of the offset.**

22 **(c) Federal and state payment offsets shall be subject to applicable notice requirements**  
23 **pursuant to 31 U.S.C. 3716(a) prior to said offset.**

24 **(d) The payment offset process authorized in this section is in addition to the set-off of**  
25 **refunds of personal income tax in 44-30.1 and is not in substitution of that chapter for any other**  
26 **remedy available by law.**

27 **(e) If any provision of this section or the application of this section is for any reason held**  
28 **invalid, illegal or unenforceable said holding shall not affect the legality, validity or enforceability**  
29 **of the rest of the section.**

30 SECTION 4. Effective October 1, 2020, section 44-18-7.3 of the General Laws in Chapter  
31 44-18 entitled "Sales and Use Taxes – Liability and Computation" is hereby amended to read as  
32 follows:

33 **44-18-7.3. Services defined.**

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

4 (b) The following businesses and services performed in this state, along with the applicable  
5 2017 North American Industrial Classification System (NAICS) codes, are included in the  
6 definition of services:

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

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

9 (ii) Limousine services (485320).

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

11 (i) Charter bus service (485510);

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

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

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

19 (4)(i) "Room reseller" or "reseller" means any person, except a tour operator as defined in  
20 § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as  
21 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the  
22 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a portion  
23 of the rental and other fees to the room reseller or reseller. Room reseller or reseller shall include,  
24 but not be limited to, sellers of travel packages as defined in this section. Notwithstanding the  
25 provisions of any other law, where said reservation or transfer of occupancy is done using a room  
26 reseller or reseller, the application of the sales and use tax under §§ 44-18-18 and 44-18-20, and  
27 the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or reseller is required to  
28 register with, and shall collect and pay to, the tax administrator the sales and use and hotel taxes,  
29 with said taxes being calculated upon the amount of rental and other fees paid by the occupant to  
30 the room reseller or reseller, less the amount of any rental and other fees paid by the room reseller  
31 or reseller to the hotel. The hotel shall collect and pay to the tax administrator said taxes upon the  
32 amount of rental and other fees paid to the hotel by the room reseller or reseller and/or the occupant.  
33 No assessment shall be made by the tax administrator against a hotel because of an incorrect  
34 remittance of the taxes under this chapter by a room reseller or reseller. No assessment shall be

1 made by the tax administrator against a room reseller or reseller because of an incorrect remittance  
2 of the taxes under this chapter by a hotel. If the hotel has paid the taxes imposed under this chapter,  
3 the occupant and/or room reseller or reseller, as applicable, shall reimburse the hotel for said taxes.  
4 If the room reseller or reseller has paid said taxes, the occupant shall reimburse the room reseller  
5 or reseller for said taxes. Each hotel and room reseller or reseller shall add and collect, from the  
6 occupant or the room reseller or the reseller, the full amount of the taxes imposed on the rental and  
7 other fees. When added to the rental and other fees, the taxes shall be a debt owed by the occupant  
8 to the hotel or room reseller or reseller, as applicable, and shall be recoverable at law in the same  
9 manner as other debts. The amount of the taxes collected by the hotel and/or room reseller or  
10 reseller from the occupant under this chapter shall be stated and charged separately from the rental  
11 and other fees, and shall be shown separately on all records thereof, whether made at the time the  
12 transfer of occupancy occurs, or on any evidence of the transfer issued or used by the hotel or the  
13 room reseller or the reseller. A room reseller or reseller shall not be required to disclose to the  
14 occupant the amount of tax charged by the hotel; provided, however, the room reseller or reseller  
15 shall represent to the occupant that the separately stated taxes charged by the room reseller or  
16 reseller include taxes charged by the hotel. No person shall operate a hotel in this state, or act as a  
17 room reseller or reseller for any hotel in the state, unless the tax administrator has issued a permit  
18 pursuant to § 44-19-1.

19 (ii) "Travel package" means a room, or rooms, bundled with one or more other, separate  
20 components of travel such as air transportation, car rental, or similar items, which travel package  
21 is charged to the customer or occupant for a single, retail price. When the room occupancy is  
22 bundled for a single consideration, with other property, services, amusement charges, or any other  
23 items, the separate sale of which would not otherwise be subject to tax under this chapter, the entire  
24 single consideration shall be treated as the rental or other fees for room occupancy subject to tax  
25 under this chapter; provided, however, that where the amount of the rental, or other fees for room  
26 occupancy is stated separately from the price of such other property, services, amusement charges,  
27 or other items, on any sales slip, invoice, receipt, or other statement given the occupant, and such  
28 rental and other fees are determined by the tax administrator to be reasonable in relation to the  
29 value of such other property, services, amusement charges, or other items, only such separately  
30 stated rental and other fees will be subject to tax under this chapter. The value of the transfer of any  
31 room, or rooms, bundled as part of a travel package may be determined by the tax administrator  
32 from the room reseller's and/or reseller's and/or hotel's books and records that are kept in the regular  
33 course of business.

34 (5) Investigation, Guard, and Armored Car Services (561611, 561612 & 561613).

1 [\(6\) Hunting, Trapping and Shooting Services \(114210 & that part of 713990 applicable to:](#)  
2 [archery ranges, recreational fishing clubs, fishing guide services, shooting galleries, hunting guide](#)  
3 [services, recreational gun clubs, recreational hunting clubs, fishing, hunting, and game outfitters,](#)  
4 [recreational rifle clubs, recreational shooting clubs, shooting ranges, skeet shooting facilities, and](#)  
5 [recreational trapshooting facilities](#)

6 [\(7\) Lobbying Services as defined in § 42-139.1-3\(a\)\(3\)](#)

7 [\(8\) Computer System Design and Related Services \(541511, 541512, 541513, 541519\)](#)

8 (c) All services as defined herein are required to file a business application and registration  
9 form and obtain a permit to make sales at retail with the tax administrator, to charge, collect, and  
10 remit Rhode Island sales and use tax.

11 (d) The tax administrator is authorized to promulgate rules and regulations in accordance  
12 with the provisions of chapter 35 of title 42 to carry out the provisions, policies, and purposes of  
13 this chapter.

14 SECTION 5. Effective January 1, 2021, section 44-18-7.3 of the General Laws in Chapter  
15 44-18 entitled "Sales and Use Taxes – Liability and Computation" is hereby amended to read as  
16 follows:

17 **44-18-7.3. Services defined.**

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

21 (b) The following businesses and services performed in this state, along with the applicable  
22 2017 North American Industrial Classification System (NAICS) codes, are included in the  
23 definition of services:

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

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

26 (ii) Limousine services (485320).

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

28 (i) Charter bus service (485510);

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

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

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

2 (4)(i) "Room reseller" or "reseller" means any person, except a tour operator as defined in  
3 § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as  
4 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the  
5 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a portion  
6 of the rental and other fees to the room reseller or reseller. Room reseller or reseller shall include,  
7 but not be limited to, sellers of travel packages as defined in this section. Notwithstanding the  
8 provisions of any other law, where said reservation or transfer of occupancy is done using a room  
9 reseller or reseller, the application of the sales and use tax under §§ 44-18-18 and 44-18-20, and  
10 the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or reseller is required to  
11 register with, and shall collect and pay to, the tax administrator the sales and use and hotel taxes,  
12 with said taxes being calculated upon the amount of rental and other fees paid by the occupant to  
13 the room reseller or reseller, less the amount of any rental and other fees paid by the room reseller  
14 or reseller to the hotel. The hotel shall collect and pay to the tax administrator said taxes upon the  
15 amount of rental and other fees paid to the hotel by the room reseller or reseller and/or the occupant.  
16 No assessment shall be made by the tax administrator against a hotel because of an incorrect  
17 remittance of the taxes under this chapter by a room reseller or reseller. No assessment shall be  
18 made by the tax administrator against a room reseller or reseller because of an incorrect remittance  
19 of the taxes under this chapter by a hotel. If the hotel has paid the taxes imposed under this chapter,  
20 the occupant and/or room reseller or reseller, as applicable, shall reimburse the hotel for said taxes.  
21 If the room reseller or reseller has paid said taxes, the occupant shall reimburse the room reseller  
22 or reseller for said taxes. Each hotel and room reseller or reseller shall add and collect, from the  
23 occupant or the room reseller or the reseller, the full amount of the taxes imposed on the rental and  
24 other fees. When added to the rental and other fees, the taxes shall be a debt owed by the occupant  
25 to the hotel or room reseller or reseller, as applicable, and shall be recoverable at law in the same  
26 manner as other debts. The amount of the taxes collected by the hotel and/or room reseller or  
27 reseller from the occupant under this chapter shall be stated and charged separately from the rental  
28 and other fees, and shall be shown separately on all records thereof, whether made at the time the  
29 transfer of occupancy occurs, or on any evidence of the transfer issued or used by the hotel or the  
30 room reseller or the reseller. A room reseller or reseller shall not be required to disclose to the  
31 occupant the amount of tax charged by the hotel; provided, however, the room reseller or reseller  
32 shall represent to the occupant that the separately stated taxes charged by the room reseller or  
33 reseller include taxes charged by the hotel. No person shall operate a hotel in this state, or act as a

1 room reseller or reseller for any hotel in the state, unless the tax administrator has issued a permit  
2 pursuant to § 44-19-1.

3 (ii) "Travel package" means a room, or rooms, bundled with one or more other, separate  
4 components of travel such as air transportation, car rental, or similar items, which travel package  
5 is charged to the customer or occupant for a single, retail price. When the room occupancy is  
6 bundled for a single consideration, with other property, services, amusement charges, or any other  
7 items, the separate sale of which would not otherwise be subject to tax under this chapter, the entire  
8 single consideration shall be treated as the rental or other fees for room occupancy subject to tax  
9 under this chapter; provided, however, that where the amount of the rental, or other fees for room  
10 occupancy is stated separately from the price of such other property, services, amusement charges,  
11 or other items, on any sales slip, invoice, receipt, or other statement given the occupant, and such  
12 rental and other fees are determined by the tax administrator to be reasonable in relation to the  
13 value of such other property, services, amusement charges, or other items, only such separately  
14 stated rental and other fees will be subject to tax under this chapter. The value of the transfer of any  
15 room, or rooms, bundled as part of a travel package may be determined by the tax administrator  
16 from the room reseller's and/or reseller's and/or hotel's books and records that are kept in the regular  
17 course of business.

18 (5) Investigation, Guard, and Armored Car Services (561611, 561612 & 561613).

19 [\(6\) Hunting, Trapping and Shooting Services \(114210 & that part of 713990 applicable to:](#)  
20 [archery ranges, recreational fishing clubs, fishing guide services, shooting galleries, hunting guide](#)  
21 [services, recreational gun clubs, recreational hunting clubs, fishing, hunting, and game outfitters,](#)  
22 [recreational rifle clubs, recreational shooting clubs, shooting ranges, skeet shooting facilities, and](#)  
23 [recreational trapshooting facilities](#)

24 [\(7\) Lobbying Services as defined in § 42-139.1-3\(a\)\(3\)](#)

25 [\(8\) Computer System Design and Related Services \(541511, 541512, 541513, 541519\)](#)

26 [\(9\) Interior Design Services \(541410\)](#)

27 [\(10\) Couriers and Messengers \(492110, 492210\) \(Couriers and Messengers services shall](#)  
28 [be distinct and separate from "delivery charges" as defined and taxed in this chapter.\)](#)

29 (c) All services as defined herein are required to file a business application and registration  
30 form and obtain a permit to make sales at retail with the tax administrator, to charge, collect, and  
31 remit Rhode Island sales and use tax.

32 (d) The tax administrator is authorized to promulgate rules and regulations in accordance  
33 with the provisions of chapter 35 of title 42 to carry out the provisions, policies, and purposes of  
34 this chapter.

1 SECTION 6. Sections 44-18-18.1, 44-18-30, and 44-18-36.1 of the General Laws in  
2 Chapter 44-18 entitled "Sales and Use Taxes – Liability and Computation" is hereby amended as  
3 follows:

4 **44-18-18.1. Local meals and beverage tax.**

5 (a) There is hereby levied and imposed, upon every purchaser of a meal and/or beverage,  
6 in addition to all other taxes and fees now imposed by law, a local meals and beverage tax upon  
7 each and every meal and/or beverage sold within the state of Rhode Island in or from an eating  
8 and/or drinking establishment, whether prepared in the eating and/or drinking establishment or not  
9 and whether consumed at the premises or not, at a rate of one percent of the gross receipts. The tax  
10 shall be paid to the tax administrator by the retailer at the time and in the manner provided.

11 (b) All sums received by the division of taxation under this section as taxes, penalties, or  
12 forfeitures, interest, costs of suit, and fines shall be distributed at least quarterly and credited and  
13 paid by the state treasurer to the city or town where the meals and beverages are delivered. With  
14 respect to the revenue collected by the division of taxation on behalf of each municipality in this  
15 section, before distributing said revenue to the municipalities, a two percent (2%) administrative  
16 fee shall be deducted therefrom and transferred to the general fund.

17 (c) When used in this section, the following words have the following meanings:

18 (1) "Beverage" means all nonalcoholic beverages, as well as alcoholic beverages, beer,  
19 lager beer, ale, porter, wine, similar fermented malt, or vinous liquor.

20 (2) "Eating and/or drinking establishment" means and includes restaurants, bars, taverns,  
21 lounges, cafeterias, lunch counters, drive-ins, roadside ice cream and refreshment stands, fish-and-  
22 chip places, fried chicken places, pizzerias, food-and-drink concessions, or similar facilities in  
23 amusement parks, bowling alleys, clubs, caterers, drive-in theatres, industrial plants, race tracks,  
24 shore resorts or other locations, lunch carts, mobile canteens and other similar vehicles, and other  
25 like places of business that furnish or provide facilities for immediate consumption of food at tables,  
26 chairs, or, counters or from trays, plates, cups, or other tableware, or in parking facilities provided  
27 primarily for the use of patrons in consuming products purchased at the location. Ordinarily, eating  
28 establishment does not mean and include food stores and supermarkets. Eating establishments does  
29 not mean "vending machines," a self-contained automatic device that dispenses for sale foods,  
30 beverages, or confection products. Retailers selling prepared foods in bulk, either in customer-  
31 furnished containers or in the seller's containers, for example "Soup and Sauce" establishments, are  
32 deemed to be selling prepared foods ordinarily for immediate consumption and, as such, are  
33 considered eating establishments.

1 (3) "Meal" means any prepared food or beverage offered or held out for sale by an eating  
2 and/or drinking establishment for the purpose of being consumed by any person to satisfy the  
3 appetite and that is ready for immediate consumption. All such food and beverage, unless otherwise  
4 specifically exempted or excluded herein shall be included, whether intended to be consumed on  
5 the seller's premises or elsewhere, whether designated as breakfast, lunch, snack, dinner, supper, or  
6 by some other name, and without regard to the manner, time, or place of service.

7 (d) This local meals and beverage tax shall be administered and collected by the division  
8 of taxation, and unless provided to the contrary in this chapter, all of the administration, collection,  
9 and other provisions of chapters 18 and 19 of this title apply.

10 **44-18-30. Gross receipts exempt from sales and use taxes.**

11 There are exempted from the taxes imposed by this chapter the following gross receipts:

12 (1) *Sales and uses beyond constitutional power of state.* From the sale and from the storage,  
13 use, or other consumption in this state of tangible personal property the gross receipts from the sale  
14 of which, or the storage, use, or other consumption of which, this state is prohibited from taxing  
15 under the Constitution of the United States or under the constitution of this state.

16 (2) *Newspapers.*

17 (i) From the sale and from the storage, use, or other consumption in this state of any  
18 newspaper.

19 (ii) "Newspaper" means an unbound publication printed on newsprint that contains news,  
20 editorial comment, opinions, features, advertising matter, and other matters of public interest.

21 (iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or  
22 similar item unless the item is printed for, and distributed as, a part of a newspaper.

23 (3) *School meals.* From the sale and from the storage, use, or other consumption in this  
24 state of meals served by public, private, or parochial schools, school districts, colleges, universities,  
25 student organizations, and parent-teacher associations to the students or teachers of a school,  
26 college, or university whether the meals are served by the educational institutions or by a food  
27 service or management entity under contract to the educational institutions.

28 (4) *Containers.*

29 (i) From the sale and from the storage, use, or other consumption in this state of:

30 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials that  
31 are biodegradable and all bags and wrapping materials utilized in the medical and healing arts,  
32 when sold without the contents to persons who place the contents in the container and sell the  
33 contents with the container.



1 (B) Containers when sold with the contents if the sale price of the contents is not required  
2 to be included in the measure of the taxes imposed by this chapter.

3 (C) Returnable containers when sold with the contents in connection with a retail sale of  
4 the contents or when resold for refilling.

5 (D) Keg and barrel containers, whether returnable or not, when sold to alcoholic beverage  
6 producers who place the alcoholic beverages in the containers.

7 (ii) As used in this subdivision, the term "returnable containers" means containers of a kind  
8 customarily returned by the buyer of the contents for reuse. All other containers are "non-returnable  
9 containers."

10 (5)(i) *Charitable, educational, and religious organizations.* From the sale to, as in defined  
11 in this section, and from the storage, use, and other consumption in this state, or any other state of  
12 the United States of America, of tangible personal property by hospitals not operated for a profit;  
13 "educational institutions" as defined in subdivision (18) not operated for a profit; churches,  
14 orphanages, and other institutions or organizations operated exclusively for religious or charitable  
15 purposes; interest-free loan associations not operated for profit; nonprofit, organized sporting  
16 leagues and associations and bands for boys and girls under the age of nineteen (19) years; the  
17 following vocational student organizations that are state chapters of national vocational student  
18 organizations: Distributive Education Clubs of America (DECA); Future Business Leaders of  
19 America, Phi Beta Lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers  
20 of America/Home Economics Related Occupations (FHA/HERD); Vocational Industrial Clubs of  
21 America (VICA); organized nonprofit golden age and senior citizens clubs for men and women;  
22 and parent-teacher associations; and from the sale, storage, use, and other consumption in this state,  
23 of and by the Industrial Foundation of Burrillville, a Rhode Island domestic nonprofit corporation.

24 (ii) In the case of contracts entered into with the federal government, its agencies, or  
25 instrumentalities, this state, or any other state of the United States of America, its agencies, any  
26 city, town, district, or other political subdivision of the states; hospitals not operated for profit;  
27 educational institutions not operated for profit; churches, orphanages, and other institutions or  
28 organizations operated exclusively for religious or charitable purposes, the contractor may purchase  
29 such materials and supplies (materials and/or supplies are defined as those that are essential to the  
30 project) that are to be utilized in the construction of the projects being performed under the contracts  
31 without payment of the tax.

32 (iii) The contractor shall not charge any sales or use tax to any exempt agency, institution,  
33 or organization but shall in that instance provide his or her suppliers with certificates in the form  
34 as determined by the division of taxation showing the reason for exemption and the contractor's

1 records must substantiate the claim for exemption by showing the disposition of all property so  
2 purchased. If any property is then used for a nonexempt purpose, the contractor must pay the tax  
3 on the property used.

4 (6) *Gasoline*. From the sale and from the storage, use, or other consumption in this state  
5 of: (i) Gasoline and other products taxed under chapter 36 of title 31 and (ii) Fuels used for the  
6 propulsion of airplanes.

7 (7) *Purchase for manufacturing purposes*.

8 (i) From the sale and from the storage, use, or other consumption in this state of computer  
9 software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, and  
10 water, when the property or service is purchased for the purpose of being manufactured into a  
11 finished product for resale and becomes an ingredient, component, or integral part of the  
12 manufactured, compounded, processed, assembled, or prepared product, or if the property or  
13 service is consumed in the process of manufacturing for resale computer software, tangible personal  
14 property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

15 (ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the  
16 property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

17 (iii) "Consumed" includes mere obsolescence.

18 (iv) "Manufacturing" means and includes: manufacturing, compounding, processing,  
19 assembling, preparing, or producing.

20 (v) "Process of manufacturing" means and includes all production operations performed in  
21 the producing or processing room, shop, or plant, insofar as the operations are a part of and  
22 connected with the manufacturing for resale of tangible personal property, electricity, natural gas,  
23 artificial gas, steam, refrigeration, or water and all production operations performed insofar as the  
24 operations are a part of and connected with the manufacturing for resale of computer software.

25 (vi) "Process of manufacturing" does not mean or include administration operations such  
26 as general office operations, accounting, collection, or sales promotion, nor does it mean or include  
27 distribution operations that occur subsequent to production operations, such as handling, storing,  
28 selling, and transporting the manufactured products, even though the administration and  
29 distribution operations are performed by, or in connection with, a manufacturing business.

30 (8) *State and political subdivisions*. From the sale to, and from the storage, use, or other  
31 consumption by, this state, any city, town, district, or other political subdivision of this state. Every  
32 redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a subdivision of  
33 the municipality where it is located.

1           (9) *Food and food ingredients.* From the sale and storage, use, or other consumption in this  
2 state of food and food ingredients as defined in § 44-18-7.1(l).

3 For the purposes of this exemption "food and food ingredients" shall not include candy, soft drinks,  
4 dietary supplements, alcoholic beverages, tobacco, food sold through vending machines, or  
5 prepared food, as those terms are defined in § 44-18-7.1, unless the prepared food is:

6           (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,  
7 except sub-sector 3118, (bakeries);

8           (ii) Sold in an unheated state by weight or volume as a single item;

9           (iii) Bakery items, including: bread, rolls, buns, biscuits, bagels, croissants, pastries,  
10 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and  
11 is not sold with utensils provided by the seller, including: plates, knives, forks, spoons, glasses,  
12 cups, napkins, or straws.

13           (10) *Medicines, drugs, and durable medical equipment.* From the sale and from the storage,  
14 use, or other consumption in this state, of:

15           (i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and  
16 insulin whether or not sold on prescription. For purposes of this exemption drugs shall not include  
17 over-the-counter drugs and grooming and hygiene products as defined in § 44-18-7.1(h)(iii).

18           (ii) Durable medical equipment as defined in § 44-18-7.1(k) for home use only, including,  
19 but not limited to: syringe infusers, ambulatory drug delivery pumps, hospital beds, convalescent  
20 chairs, and chair lifts. Supplies used in connection with syringe infusers and ambulatory drug  
21 delivery pumps that are sold on prescription to individuals to be used by them to dispense or  
22 administer prescription drugs, and related ancillary dressings and supplies used to dispense or  
23 administer prescription drugs, shall also be exempt from tax.

24           (11) *Prosthetic devices and mobility enhancing equipment.* From the sale and from the  
25 storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t),  
26 sold on prescription, including, but not limited to: artificial limbs, dentures, spectacles, eyeglasses,  
27 and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on prescription;  
28 and mobility enhancing equipment as defined in § 44-18-7.1(p), including wheelchairs, crutches,  
29 and canes.

30           (12) *Coffins, caskets, urns, shrouds and burial garments.* From the sale and from the  
31 storage, use, or other consumption in this state of coffins, caskets, urns, shrouds, and other burial  
32 garments that are ordinarily sold by a funeral director as part of the business of funeral directing.

33           (13) *Motor vehicles sold to nonresidents.*

1 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide nonresident  
2 of this state who does not register the motor vehicle in this state, whether the sale or delivery of the  
3 motor vehicle is made in this state or at the place of residence of the nonresident. A motor vehicle  
4 sold to a bona fide nonresident whose state of residence does not allow a like exemption to its  
5 nonresidents is not exempt from the tax imposed under § 44-18-20. In that event, the bona fide  
6 nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed  
7 in his or her state of residence not to exceed the rate that would have been imposed under § 44-18-  
8 20. Notwithstanding any other provisions of law, a licensed motor vehicle dealer shall add and  
9 collect the tax required under this subdivision and remit the tax to the tax administrator under the  
10 provisions of chapters 18 and 19 of this title. When a Rhode Island licensed, motor vehicle dealer  
11 is required to add and collect the sales and use tax on the sale of a motor vehicle to a bona fide  
12 nonresident as provided in this section, the dealer in computing the tax takes into consideration the  
13 law of the state of the nonresident as it relates to the trade-in of motor vehicles.

14 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
15 require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents as the  
16 tax administrator deems reasonably necessary to substantiate the exemption provided in this  
17 subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of the  
18 motor vehicle was the holder of, and had in his or her possession a valid out-of-state motor vehicle  
19 registration or a valid out-of-state driver's license.

20 (iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days of  
21 the date of its sale to him or her is deemed to have purchased the motor vehicle for use, storage, or  
22 other consumption in this state, and is subject to, and liable for, the use tax imposed under the  
23 provisions of § 44-18-20.

24 (14) *Sales in public buildings by blind people.* From the sale and from the storage, use, or  
25 other consumption in all public buildings in this state of all products or wares by any person  
26 licensed under § 40-9-11.1.

27 (15) *Air and water pollution control facilities.* From the sale, storage, use, or other  
28 consumption in this state of tangible personal property or supplies acquired for incorporation into  
29 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the  
30 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12  
31 of title 46 and chapter 23 of title 23, respectively, and that has been certified as approved for that  
32 purpose by the director of environmental management. The director of environmental management  
33 may certify to a portion of the tangible personal property or supplies acquired for incorporation  
34 into those facilities or used and consumed in the operation of those facilities to the extent that that

1 portion has as its primary purpose the control of the pollution or contamination of the waters or air  
2 of this state. As used in this subdivision, "facility" means any land, facility, device, building,  
3 machinery, or equipment.

4 (16) *Camps.* From the rental charged for living quarters, or sleeping, or housekeeping  
5 accommodations at camps or retreat houses operated by religious, charitable, educational, or other  
6 organizations and associations mentioned in subsection (5), or by privately owned and operated  
7 summer camps for children.

8 (17) *Certain institutions.* From the rental charged for living or sleeping quarters in an  
9 institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

10 (18) *Educational institutions.* From the rental charged by any educational institution for  
11 living quarters, or sleeping, or housekeeping accommodations or other rooms or accommodations  
12 to any student or teacher necessitated by attendance at an educational institution. "Educational  
13 institution" as used in this section means an institution of learning not operated for profit that is  
14 empowered to confer diplomas, educational, literary, or academic degrees; that has a regular  
15 faculty, curriculum, and organized body of pupils or students in attendance throughout the usual  
16 school year; that keeps and furnishes to students and others records required and accepted for  
17 entrance to schools of secondary, collegiate, or graduate rank; and no part of the net earnings of  
18 which inures to the benefit of any individual.

19 (19) *Motor vehicle and adaptive equipment for persons with disabilities.*

20 (i) From the sale of: (A) Special adaptations; (B) The component parts of the special  
21 adaptations; or (C) A specially adapted motor vehicle; provided that the owner furnishes to the tax  
22 administrator an affidavit of a licensed physician to the effect that the specially adapted motor  
23 vehicle is necessary to transport a family member with a disability or where the vehicle has been  
24 specially adapted to meet the specific needs of the person with a disability. This exemption applies  
25 to not more than one motor vehicle owned and registered for personal, noncommercial use.

26 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not  
27 limited to: wheelchair lifts, wheelchair carriers, wheelchair ramps, wheelchair securements, hand  
28 controls, steering devices, extensions, relocations, and crossovers of operator controls, power-  
29 assisted controls, raised tops or dropped floors, raised entry doors, or alternative signaling devices  
30 to auditory signals.

31 (iii) From the sale of: (a) Special adaptations, (b) The component parts of the special  
32 adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1, and/or a "wheelchair  
33 accessible public motor vehicle" as defined in § 39-14.1-1.

1 (iv) For the purpose of this subdivision the exemption for a "specially adapted motor  
2 vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due on  
3 the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the special  
4 adaptations, including installation.

5 (20) *Heating fuels.* From the sale and from the storage, use, or other consumption in this  
6 state of every type of heating fuel.

7 (21) *Electricity and gas.* From the sale and from the storage, use, or other consumption in  
8 this state of electricity and gas.

9 (22) *Manufacturing machinery and equipment.*

10 (i) From the sale and from the storage, use, or other consumption in this state of tools, dies,  
11 molds, machinery, equipment (including replacement parts), and related items to the extent used in  
12 an industrial plant in connection with the actual manufacture, conversion, or processing of tangible  
13 personal property, or to the extent used in connection with the actual manufacture, conversion, or  
14 processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373  
15 in the standard industrial classification manual prepared by the Technical Committee on Industrial  
16 Classification, Office of Statistical Standards, Executive Office of the President, United States  
17 Bureau of the Budget, as revised from time to time, to be sold, or that machinery and equipment  
18 used in the furnishing of power to an industrial manufacturing plant. For the purposes of this  
19 subdivision, "industrial plant" means a factory at a fixed location primarily engaged in the  
20 manufacture, conversion, or processing of tangible personal property to be sold in the regular  
21 course of business;

22 (ii) Machinery and equipment and related items are not deemed to be used in connection  
23 with the actual manufacture, conversion, or processing of tangible personal property, or in  
24 connection with the actual manufacture, conversion, or processing of computer software as that  
25 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification  
26 manual prepared by the Technical Committee on Industrial Classification, Office of Statistical  
27 Standards, Executive Office of the President, United States Bureau of the Budget, as revised from  
28 time to time, to be sold to the extent the property is used in administration or distribution operations;

29 (iii) Machinery and equipment and related items used in connection with the actual  
30 manufacture, conversion, or processing of any computer software or any tangible personal property  
31 that is not to be sold and that would be exempt under subdivision (7) or this subdivision if purchased  
32 from a vendor or machinery and equipment and related items used during any manufacturing,  
33 converting, or processing function is exempt under this subdivision even if that operation, function,

1 or purpose is not an integral or essential part of a continuous production flow or manufacturing  
2 process;

3 (iv) Where a portion of a group of portable or mobile machinery is used in connection with  
4 the actual manufacture, conversion, or processing of computer software or tangible personal  
5 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under  
6 this subdivision even though the machinery in that group is used interchangeably and not otherwise  
7 identifiable as to use.

8 (23) *Trade-in value of motor vehicles.* From the sale and from the storage, use, or other  
9 consumption in this state of so much of the purchase price paid for a new or used automobile as is  
10 allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of  
11 the proceeds applicable only to the automobile as are received from the manufacturer of  
12 automobiles for the repurchase of the automobile whether the repurchase was voluntary or not  
13 towards the purchase of a new or used automobile by the buyer. For the purpose of this subdivision,  
14 the word "automobile" means a private passenger automobile not used for hire and does not refer  
15 to any other type of motor vehicle.

16 (24) *Precious metal bullion.*

17 (i) From the sale and from the storage, use, or other consumption in this state of precious  
18 metal bullion, substantially equivalent to a transaction in securities or commodities.

19 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary  
20 precious metal that has been put through a process of smelting or refining, including, but not limited  
21 to: gold, silver, platinum, rhodium, and chromium, and that is in a state or condition that its value  
22 depends upon its content and not upon its form.

23 (iii) The term does not include fabricated precious metal that has been processed or  
24 manufactured for some one or more specific and customary industrial, professional, or artistic uses.

25 (25) *Commercial vessels.* From sales made to a commercial ship, barge, or other vessel of  
26 fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the  
27 repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use  
28 of the vessels including provisions, supplies, and material for the maintenance and/or repair of the  
29 vessels.

30 (26) *Commercial fishing vessels.* From the sale and from the storage, use, or other  
31 consumption in this state of vessels and other watercraft that are in excess of five (5) net tons and  
32 that are used exclusively for "commercial fishing," as defined in this subdivision, and from the  
33 repair, alteration, or conversion of those vessels and other watercraft, and from the sale of property  
34 purchased for the use of those vessels and other watercraft including provisions, supplies, and

1 material for the maintenance and/or repair of the vessels and other watercraft and the boats nets,  
2 cables, tackle, and other fishing equipment appurtenant to or used in connection with the  
3 commercial fishing of the vessels and other watercraft. "Commercial fishing" means taking or  
4 attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of it for  
5 profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence  
6 fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include  
7 vessels and other watercraft with a Rhode Island party and charter boat license issued by the  
8 department of environmental management pursuant to § 20-2-27.1 that meet the following criteria:  
9 (i) The operator must have a current United States Coast Guard (U.S.C.G.) license to carry  
10 passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)  
11 U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island boat  
12 registration to prove Rhode Island home port status; and (iv) The vessel must be used as a  
13 commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be  
14 able to demonstrate that at least fifty percent (50%) of its annual gross income derives from charters  
15 or provides documentation of a minimum of one hundred (100) charter trips annually; and (v) The  
16 vessel must have a valid Rhode Island party and charter boat license. The tax administrator shall  
17 implement the provisions of this subdivision by promulgating rules and regulations relating thereto.

18 (27) *Clothing and footwear.* From the sales of articles of clothing, including footwear,  
19 intended to be worn or carried on or about the human body for sales prior to October 1, 2012.  
20 Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including  
21 footwear, intended to be worn or carried on or about the human body up to two hundred and fifty  
22 dollars (\$250) of the sales price per item. For the purposes of this section, "clothing or footwear"  
23 does not include clothing accessories or equipment or special clothing or footwear primarily  
24 designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f). In  
25 recognition of the work being performed by the streamlined sales and use tax governing board,  
26 upon passage of any federal law that authorizes states to require remote sellers to collect and remit  
27 sales and use taxes, this unlimited exemption will apply as it did prior to October 1, 2012. The  
28 unlimited exemption on sales of clothing and footwear shall take effect on the date that the state  
29 requires remote sellers to collect and remit sales and use taxes.

30 (28) *Water for residential use.* From the sale and from the storage, use, or other  
31 consumption in this state of water furnished for domestic use by occupants of residential premises.

32 (29) *Bibles.* [Unconstitutional; see Ahlburn v. Clark, 728 A.2d 449 (R.I. 1999); see Notes  
33 to Decisions.] From the sale and from the storage, use, or other consumption in the state of any



1 canonized scriptures of any tax-exempt nonprofit religious organization including, but not limited  
2 to, the Old Testament and the New Testament versions.

3 (30) *Boats.*

4 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not  
5 register the boat or vessel in this state or document the boat or vessel with the United States  
6 government at a home port within the state, whether the sale or delivery of the boat or vessel is  
7 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty (30)  
8 days after delivery by the seller outside the state for use thereafter solely outside the state.

9 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
10 require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the  
11 tax administrator deems reasonably necessary to substantiate the exemption provided in this  
12 subdivision, including the affidavit of the seller that the buyer represented himself or herself to be  
13 a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

14 (31) *Youth activities equipment.* From the sale, storage, use, or other consumption in this  
15 state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island  
16 eleemosynary organizations, for the purposes of youth activities that the organization is formed to  
17 sponsor and support; and by accredited elementary and secondary schools for the purposes of the  
18 schools or of organized activities of the enrolled students.

19 (32) *Farm equipment.* From the sale and from the storage or use of machinery and  
20 equipment used directly for commercial farming and agricultural production; including, but not  
21 limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,  
22 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,  
23 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and  
24 other farming equipment, including replacement parts appurtenant to or used in connection with  
25 commercial farming and tools and supplies used in the repair and maintenance of farming  
26 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or the  
27 production within this state of agricultural products, including, but not limited to, field or orchard  
28 crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production  
29 provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to the operator,  
30 whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July  
31 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2) levels. Level I  
32 shall be based on proof of annual, gross sales from commercial farming of at least twenty-five  
33 hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption provided in this  
34 subdivision except for motor vehicles with an excise tax value of five thousand dollars (\$5,000) or

1 greater. Level II shall be based on proof of annual gross sales from commercial farming of at least  
2 ten thousand dollars (\$10,000) or greater and shall be valid for purchases subject to the exemption  
3 provided in this subdivision including motor vehicles with an excise tax value of five thousand  
4 dollars (\$5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount  
5 of annual gross sales from commercial farming shall be required for the prior year; for any renewal  
6 of an exemption granted in accordance with this subdivision at either level I or level II, proof of  
7 gross annual sales from commercial farming at the requisite amount shall be required for each of  
8 the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly  
9 indicate the level of the exemption and be valid for four (4) years after the date of issue. This  
10 exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for  
11 a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after  
12 July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for  
13 registration displaying farm plates as provided for in § 31-3-31.

14 (33) *Compressed air*. From the sale and from the storage, use, or other consumption in the  
15 state of compressed air.

16 (34) *Flags*. From the sale and from the storage, consumption, or other use in this state of  
17 United States, Rhode Island or POW-MIA flags.

18 (35) *Motor vehicle and adaptive equipment to certain veterans*. From the sale of a motor  
19 vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or  
20 the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether service  
21 connected or not. The motor vehicle must be purchased by and especially equipped for use by the  
22 qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under rules or  
23 regulations that the tax administrator may prescribe.

24 (36) *Textbooks*. From the sale and from the storage, use, or other consumption in this state  
25 of textbooks by an "educational institution," as defined in subsection (18) of this section, and any  
26 educational institution within the purview of § 16-63-9(4), and used textbooks by any purveyor.

27 (37) *Tangible personal property and supplies used in on-site hazardous waste recycling,*  
28 *reuse, or treatment*. From the sale, storage, use, or other consumption in this state of tangible  
29 personal property or supplies used or consumed in the operation of equipment, the exclusive  
30 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as  
31 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes," as defined  
32 in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the same  
33 taxpayer and where the personal property is located at, in, or adjacent to a generating facility of the  
34 taxpayer in Rhode Island. The taxpayer shall procure an order from the director of the department

1 of environmental management certifying that the equipment and/or supplies as used or consumed,  
2 qualify for the exemption under this subdivision. If any information relating to secret processes or  
3 methods of manufacture, production, or treatment is disclosed to the department of environmental  
4 management only to procure an order, and is a "trade secret" as defined in § 28-21-10(b), it is not  
5 open to public inspection or publicly disclosed unless disclosure is required under chapter 21 of  
6 title 28 or chapter 24.4 of title 23.

7 (38) *Promotional and product literature of boat manufacturers.* From the sale and from  
8 the storage, use, or other consumption of promotional and product literature of boat manufacturers  
9 shipped to points outside of Rhode Island that either: (i) Accompany the product that is sold; (ii)  
10 Are shipped in bulk to out-of-state dealers for use in the sale of the product; or (iii) Are mailed to  
11 customers at no charge.

12 (39) *Food items paid for by food stamps.* From the sale and from the storage, use, or other  
13 consumption in this state of eligible food items payment for which is properly made to the retailer  
14 in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of 1977,  
15 7 U.S.C. § 2011 et seq.

16 (40) *Transportation charges.* From the sale or hiring of motor carriers as defined in § 39-  
17 12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed with  
18 the Rhode Island public utilities commission on the number of miles driven or by the number of  
19 hours spent on the job.

20 (41) *Trade-in value of boats.* From the sale and from the storage, use, or other consumption  
21 in this state of so much of the purchase price paid for a new or used boat as is allocated for a trade-  
22 in allowance on the boat of the buyer given in trade to the seller or of the proceeds applicable only  
23 to the boat as are received from an insurance claim as a result of a stolen or damaged boat, towards  
24 the purchase of a new or used boat by the buyer.

25 (42) *Equipment used for research and development.* From the sale and from the storage,  
26 use, or other consumption of equipment to the extent used for research and development purposes  
27 by a qualifying firm. For the purposes of this subsection, "qualifying firm" means a business for  
28 which the use of research and development equipment is an integral part of its operation and  
29 "equipment" means scientific equipment, computers, software, and related items.

30 (43) *Coins.* From the sale and from the other consumption in this state of coins having  
31 numismatic or investment value.

32 (44) *Farm structure construction materials.* Lumber, hardware, and other materials used  
33 in the new construction of farm structures, including production facilities such as, but not limited  
34 to: farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying

1 houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing  
2 rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and trench  
3 silos, feed storage sheds, and any other structures used in connection with commercial farming.

4 (45) *Telecommunications carrier access service.* Carrier access service or  
5 telecommunications service when purchased by a telecommunications company from another  
6 telecommunications company to facilitate the provision of telecommunications service.

7 (46) *Boats or vessels brought into the state exclusively for winter storage, maintenance,*  
8 *repair, or sale.* Notwithstanding the provisions of §§ 44-18-10, 44-18-11 and 44-18-20, the tax  
9 imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in  
10 any year up to and including the 30th day of April next succeeding with respect to the use of any  
11 boat or vessel within this state exclusively for purposes of: (i) Delivery of the vessel to a facility in  
12 this state for storage, including dry storage and storage in water by means of apparatus preventing  
13 ice damage to the hull, maintenance, or repair; (ii) The actual process of storage, maintenance, or  
14 repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or vessel.

15 (47) *Jewelry display product.* From the sale and from the storage, use, or other  
16 consumption in this state of tangible personal property used to display any jewelry product;  
17 provided that title to the jewelry display product is transferred by the jewelry manufacturer or seller  
18 and that the jewelry display product is shipped out of state for use solely outside the state and is not  
19 returned to the jewelry manufacturer or seller.

20 (48) *Boats or vessels generally.* Notwithstanding the provisions of this chapter, the tax  
21 imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage,  
22 use, or other consumption in this state of any new or used boat. The exemption provided for in this  
23 subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal ten  
24 percent (10%) surcharge on luxury boats is repealed.

25 (49) *Banks and regulated investment companies interstate toll-free calls.* Notwithstanding  
26 the provisions of this chapter, the tax imposed by this chapter does not apply to the furnishing of  
27 interstate and international, toll-free terminating telecommunication service that is used directly  
28 and exclusively by or for the benefit of an eligible company as defined in this subdivision; provided  
29 that an eligible company employs on average during the calendar year no less than five hundred  
30 (500) "full-time equivalent employees" as that term is defined in § 42-64.5-2. For purposes of this  
31 section, an "eligible company" means a "regulated investment company" as that term is defined in  
32 the Internal Revenue Code of 1986, 26 U.S.C. § 851, or a corporation to the extent the service is  
33 provided, directly or indirectly, to or on behalf of a regulated investment company, an employee  
34 benefit plan, a retirement plan or a pension plan, or a state-chartered bank.

1           (50) *Mobile and manufactured homes generally.* From the sale and from the storage, use,  
2 or other consumption in this state of mobile and/or manufactured homes as defined and subject to  
3 taxation pursuant to the provisions of chapter 44 of title 31.

4           (51) *Manufacturing business reconstruction materials.*

5           (i) From the sale and from the storage, use, or other consumption in this state of lumber,  
6 hardware, and other building materials used in the reconstruction of a manufacturing business  
7 facility that suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any  
8 occurrence, natural or otherwise, that results in the destruction of sixty percent (60%) or more of  
9 an operating manufacturing business facility within this state. "Disaster" does not include any  
10 damage resulting from the willful act of the owner of the manufacturing business facility.

11           (ii) Manufacturing business facility includes, but is not limited to, the structures housing  
12 the production and administrative facilities.

13           (iii) In the event a manufacturer has more than one manufacturing site in this state, the sixty  
14 percent (60%) provision applies to the damages suffered at that one site.

15           (iv) To the extent that the costs of the reconstruction materials are reimbursed by insurance,  
16 this exemption does not apply.

17           (52) *Tangible personal property and supplies used in the processing or preparation of*  
18 *floral products and floral arrangements.* From the sale, storage, use, or other consumption in this  
19 state of tangible personal property or supplies purchased by florists, garden centers, or other like  
20 producers or vendors of flowers, plants, floral products, and natural and artificial floral  
21 arrangements that are ultimately sold with flowers, plants, floral products, and natural and artificial  
22 floral arrangements or are otherwise used in the decoration, fabrication, creation, processing, or  
23 preparation of flowers, plants, floral products, or natural and artificial floral arrangements,  
24 including descriptive labels, stickers, and cards affixed to the flower, plant, floral product, or  
25 arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower food,  
26 insecticide, and fertilizers.

27           (53) *Horse food products.* From the sale and from the storage, use, or other consumption  
28 in this state of horse food products purchased by a person engaged in the business of the boarding  
29 of horses.

30           (54) *Non-motorized recreational vehicles sold to nonresidents.*

31           (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to  
32 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle  
33 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this  
34 state or at the place of residence of the nonresident; provided that a non-motorized recreational

1 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to  
2 its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in  
3 that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate  
4 that would be imposed in his or her state of residence not to exceed the rate that would have been  
5 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed, non-motorized  
6 recreational vehicle dealer shall add and collect the tax required under this subdivision and remit  
7 the tax to the tax administrator under the provisions of chapters 18 and 19 of this title. Provided,  
8 that when a Rhode Island licensed, non-motorized recreational vehicle dealer is required to add and  
9 collect the sales and use tax on the sale of a non-motorized recreational vehicle to a bona fide  
10 nonresident as provided in this section, the dealer in computing the tax takes into consideration the  
11 law of the state of the nonresident as it relates to the trade-in of motor vehicles.

12 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
13 require any licensed, non-motorized recreational vehicle dealer to keep records of sales to bona fide  
14 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption  
15 provided in this subdivision, including the affidavit of a licensed, non-motorized recreational  
16 vehicle dealer that the purchaser of the non-motorized recreational vehicle was the holder of, and  
17 had in his or her possession a valid out-of-state non-motorized recreational vehicle registration or  
18 a valid out-of-state driver's license.

19 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state within  
20 ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-motorized  
21 recreational vehicle for use, storage, or other consumption in this state, and is subject to, and liable  
22 for, the use tax imposed under the provisions of § 44-18-20.

23 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and  
24 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use  
25 that is eligible to be registered for highway use, including, but not limited to, "pick-up coaches" or  
26 "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1 of  
27 title 31.

28 (55) *Sprinkler and fire alarm systems in existing buildings.* From the sale in this state of  
29 sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials  
30 necessary and attendant to the installation of those systems that are required in buildings and  
31 occupancies existing therein in July 2003 in order to comply with any additional requirements for  
32 such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003  
33 and that are not required by any other provision of law or ordinance or regulation adopted pursuant  
34 to that act. The exemption provided in this subdivision shall expire on December 31, 2008.

1           (56) *Aircraft*. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-18-  
2 18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other consumption  
3 in this state of any new or used aircraft or aircraft parts.

4           (57) *Renewable energy products*. Notwithstanding any other provisions of Rhode Island  
5 general laws, the following products shall also be exempt from sales tax: solar photovoltaic  
6 modules or panels, or any module or panel that generates electricity from light; solar thermal  
7 collectors, including, but not limited to, those manufactured with flat glass plates, extruded plastic,  
8 sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-water and  
9 water-to-air type pumps; wind turbines; towers used to mount wind turbines if specified by or sold  
10 by a wind turbine manufacturer; DC to AC inverters that interconnect with utility power lines; and  
11 manufactured mounting racks and ballast pans for solar collector, module, or panel installation. Not  
12 to include materials that could be fabricated into such racks; monitoring and control equipment, if  
13 specified or supplied by a manufacturer of solar thermal, solar photovoltaic, geothermal, or wind  
14 energy systems or if required by law or regulation for such systems but not to include pumps, fans  
15 or plumbing or electrical fixtures unless shipped from the manufacturer affixed to, or an integral  
16 part of, another item specified on this list; and solar storage tanks that are part of a solar domestic  
17 hot water system or a solar space heating system. If the tank comes with an external heat exchanger  
18 it shall also be tax exempt, but a standard hot water tank is not exempt from state sales tax.

19           (58) *Returned property*. The amount charged for property returned by customers upon  
20 rescission of the contract of sale when the entire amount exclusive of handling charges paid for the  
21 property is refunded in either cash or credit, and where the property is returned within one hundred  
22 twenty (120) days from the date of delivery.

23           (59) *Dietary supplements*. From the sale and from the storage, use, or other consumption  
24 of dietary supplements as defined in § 44-18-7.1(I)(v), sold on prescriptions.

25           (60) *Blood*. From the sale and from the storage, use, or other consumption of human blood.

26           (61) *Agricultural products for human consumption*. From the sale and from the storage,  
27 use, or other consumption of livestock and poultry of the kinds of products that ordinarily constitute  
28 food for human consumption and of livestock of the kind the products of which ordinarily constitute  
29 fibers for human use.

30           (62) *Diesel emission control technology*. From the sale and use of diesel retrofit technology  
31 that is required by § 31-47.3-4.

32           (63) *Feed for certain animals used in commercial farming*. From the sale of feed for  
33 animals as described in subsection (61) of this section.

1 ~~(64) Alcoholic beverages. From the sale and storage, use, or other consumption in this state~~  
2 ~~by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and malt~~  
3 ~~beverages; provided, further, notwithstanding § 6-13-1 or any other general or public law to the~~  
4 ~~contrary, alcoholic beverages, as defined in § 44-18-7.1, shall not be subject to minimum markup.~~

5 (65) *Seeds and plants used to grow food and food ingredients.* From the sale, storage, use,  
6 or other consumption in this state of seeds and plants used to grow food and food ingredients as  
7 defined in § 44-18-7.1(1)(i). "Seeds and plants used to grow food and food ingredients" shall not  
8 include marijuana seeds or plants.

9 (66) *Feminine hygiene products.* From the sale and from the storage, use, or other  
10 consumption of tampons, panty liners, menstrual cups, sanitary napkins, and other similar products  
11 the principal use of which is feminine hygiene in connection with the menstrual cycle.

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.



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

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

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

13           SECTION 7. SECTION 1 and SECTION 4 shall be effective October 1, 2020. SECTION  
14 5 shall be effective January 1, 2021. All other sections of this article shall take effect July 1, 2020.