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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO TAXATION -- RETAIL DELIVERY FEE

Introduced By: Representatives Cotter, Carson, Speakman, Boylan, Spears, Potter, Cruz,  
Stewart, Giraldo, and Casimiro  
Date Introduced: May 27, 2025

Referred To: House Finance

It is enacted by the General Assembly as follows:

- 1           SECTION 1. The general assembly hereby finds and declares that:
- 2           (1) In recent years, the number of retail deliveries of tangible personal property has rapidly
- 3 increased, and this rapid growth is expected to continue;
- 4           (2) The world economic forum estimates that by 2030, there will be over thirty percent
- 5 (30%) more delivery vehicles on roads to deliver seventy-eight percent (78%) more packages,
- 6 which will increase usage of the highways, roads and streets of the state by motor vehicles used to
- 7 make retail deliveries, and increase traffic congestion, and retail-delivery-related issues;
- 8           (3) This additional usage has accelerated and is expected to continue to accelerate
- 9 deterioration of surface transportation system infrastructure, and has required and is expected to
- 10 continue to require the state and municipalities to perform more maintenance and reconstruction of
- 11 state highway, and city streets;
- 12           (4) There are administrative costs for a retailer when the state imposes a fee on retail
- 13 deliveries, and the benefits from the fee revenue need to be balanced with the potential economic
- 14 impacts on the retailers;
- 15           (5) Fees on retail deliveries should only be imposed on retailers that are large enough to
- 16 absorb these administrative costs without significant economic harm;
- 17           (6) It is therefore necessary and appropriate:
- 18           (i) To impose a retail delivery fee to offset the potential cost to address infrastructure
- 19 deterioration related to retail delivery;

(ii) To create an exemption from the retail delivery fees for retailers with retail sales of five hundred thousand dollars (\$500,000) or less; and

(iii) To have the department of revenue collect the retail delivery fee from fee payers.

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

### CHAPTER 18.3

#### RETAIL DELIVERY FEE

##### **44-18.3-1. Definitions.**

For purposes of this chapter:

(1) "Administrator" means tax administrator appointed pursuant to the provisions of § 44-1-1.

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

(3) "Food service establishment" has the meaning provided in § 21-27-1.

(4) "In-state customer" means a person who makes a purchase of tangible property for use, storage, and/or consumption in this state.

(5) "Person" has the same meaning as provided in § 34-13.2-2.

(6) "Retail delivery" means delivery to a person located in Rhode Island of tangible property subject to tax pursuant to the provisions of title 44.

(7) "Retail sale" or "sale at retail" means any retail sale or sale at retail as defined in § 44-18-8.

(8) "Retailer" means:

(i) Any "marketplace facilitator" or "referrer" as defined in § 44-18.2-2 that has participated, arranged, or been directly or indirectly involved in sales of goods or tangible property for the sum of five hundred thousand dollars (\$500,000) or more in the previous calendar year delivered by motor vehicle to an end user address in Rhode Island; or

(ii) Any person or entity that sells goods or tangible property to an intended end user; provided however, that the retailer has retail sales equal to or exceeding five hundred thousand dollar (\$500,000) in gross sales annually delivered by motor vehicle to an intended end user in Rhode Island.

(9) "State" means the State of Rhode Island.

##### **44-18.3-2. Retail delivery fee.**

(a) A fee is imposed on each retailer, as defined in § 44-18.3-1, equal to fifty cents (\$0.50)

1 on each transaction involving retail delivery by motor vehicle to a customer's location in Rhode  
2 Island, of tangible property subject to sales and use tax pursuant to the provisions of title 44.

3 (b) The retailer may, but is not required to, collect the fee imposed pursuant to subsection  
4 (a) of this section from the purchaser. If separately stated on the invoice, bill of sale, or similar  
5 document provided to the purchaser the fee is excluded from the sales price for purposes of  
6 calculation of sales and use tax imposed pursuant to the provisions of title 44.

7 (c) If the retailer collects the fee from the purchaser:

8 (1) The retail delivery fee shall be charged in addition to any other delivery charges; and

9 (2) The retailer shall show the total of the retail delivery fee and other delivery fees as  
10 separate items and distinct from the sales price and any other taxes or fees imposed on the retail  
11 delivery on the purchaser's receipt, invoice, or other bill of sale.

12 **44-18.3-3. Multiple items or shipments.**

13 The fee imposed pursuant to § 44-18.3-2 is imposed once per transaction regardless of the  
14 number of shipments necessary to deliver the items of tangible property purchased.

15 **44-18.3-4. Mixed shipments.**

16 If a retailer, subject to the provisions of this chapter, delivers any property in a shipment  
17 that is subject to sales and use tax pursuant to the provisions of title 44 then the fee pursuant to §  
18 44-18.3-2 shall be imposed regardless of the volume or amount of tangible property that otherwise  
19 would be exempt from imposition of the fee that is contained in the shipment or delivery.

20 **44-18.3-5. Returns and cancellations.**

21 The fee imposed under § 44-18.3-2 is nonrefundable if any or all items purchased are  
22 returned to a retailer or if the retailer provides a refund or credit in the amount equal to or less than  
23 the purchase price. The fee shall be refunded to the purchaser if the retail delivery is canceled by  
24 the purchaser, retailer, or delivery provider.

25 **44-18.3-6. Exemptions.**

26 (a) The following retail deliveries are exempt from the fee imposed by this chapter:

27 (1) A retail delivery to a purchaser that is exempt from tax under § 44-18-30;

28 (2) A retail delivery resulting from a retail sale of food and food ingredients or prepared  
29 food; and

30 (3) A retail delivery resulting from a retail sale by a food and beverage service  
31 establishment, regardless of whether the retail delivery is made by a third party other than the food  
32 and beverage service establishment.

33 (b)(1) The fee imposed by this chapter and the requirements of this chapter do not apply to  
34 a retailer that made retail sales of taxable tangible property delivered by motor vehicle to addresses

1 in Rhode Island totaling less than five hundred thousand dollars (\$500,000) in the previous calendar  
2 year; and

3 (2) A retailer as defined in § 44-18.3-1 shall begin collecting and remitting the delivery fee  
4 to the director on the first day of a calendar month occurring no later than sixty (60) days after the  
5 retailer exceeds a retail sales threshold of five hundred thousand dollars (\$500,000).

6 (c) Nothing in this chapter shall be construed to apply to sales completed at a physical retail  
7 location or store in which the purchaser takes delivery of the entire purchase of tangible property  
8 at the retail location or store.

9 **44-18.3-7. Rules and regulations.**

10 The administrator of the division of taxation shall promulgate rules and regulations to  
11 implement and enforce the provisions of this chapter.

12 SECTION 3. This act shall take effect on October 1, 2025.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would impose a delivery fee on retailers to include marketplace facilitators and  
2   referrers for delivery of retail tangible property to purchasers in the state. The fee would consist of  
3   fifty cents (\$0.50) per transaction. Marketplace facilitators, referrers and retailers would be exempt  
4   if they had gross revenues from sales delivered by motor vehicles in Rhode Island of less than five  
5   hundred thousand dollars (\$500,000) annually. All food deliveries would also be exempt.

6           This act would take effect on October 1, 2025.

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