

280-RICR-20-70-18

TITLE 280 – DEPARTMENT OF REVENUE

CHAPTER 20 – DIVISION OF TAXATION

SUBCHAPTER 70 – SALES AND USE TAX

PART 18 – Vending Machines and Operators

18.1 Purpose

This regulation implements R.I. Gen. Laws Chapter 44-18.1. This regulation provides for the regulation of Vending Machines and Vending Machine Operators.

18.2 Authority

This regulation is promulgated pursuant to R.I. Gen. Laws Chapter 44-18.1 as amended, R.I. Gen. Laws §§ 44-1-4, 44-18.1-1 and 44-19-33. Additionally these regulations have been prepared in accordance with the requirements of R.I. Gen. Laws Chapter 42-35 - Rhode Island Administrative Procedures Act.

18.3 Application

The terms and provisions of these rules and regulations shall be liberally construed to permit the Department of Revenue to effectuate the purposes of R.I. Gen. Laws Chapter 44-18.1 and other applicable state laws and regulations.

18.4 Severability

If any provision of these rules and regulations, or the application thereof to any person or circumstances, is held invalid by a court of competent jurisdiction, the validity of the remainder of the rules and regulations shall not be affected thereby.

18.5 Vending Machines

If the owner or lessee of the premises where the vending machine is located has access to the monies in the machine and remits whatever is owed to the company owning the machine after deducting profits or commissions, he or she is considered to be the retailer. If, however, the owner has no access to the monies in the machine and the monies are collected by the distributor of the machine who then pays a percentage or commission to the owner or lessee of the premises, then the distributor is the retailer.

18.6 Vending Machine Operators

A. Persons operating vending machines dispensing tangible personal property of a kind the gross receipts from the retail sale of which are subject to tax must obtain permits to engage in the business of selling tangible personal property and must report and pay to the state the tax upon the gross receipts from the sales made through such machines. One permit is sufficient for all machines of one operator.

1. A statement in substantially the following form must be affixed upon each vending machine in a conspicuous place:

This vending machine is operated by:

Name of Operator:

Place of Business of Operator:

who holds Permit No. ___ issued pursuant to the Sales and Use Tax Act.

B. Adequate and complete records must be kept by the operator showing the location of each machine operated, the serial number thereof, purchases and inventories of merchandise bought for sale through all such machines, and the gross receipts derived from the operation at each location during each month.

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