

TITLE 280 – DEPARTMENT OF REVENUE

CHAPTER 20 – DIVISION OF TAXATION

SUBCHAPTER 45 – LITTER CONTROL

PART 1 – Application & Payment of Litter Control Participation Permit

1.1 Filing Requirement

All Rhode Island sales tax permit holders whose sales relate in whole or in part to the taxable sales of food and/or beverages must apply for a litter control participation permit on or before August 1 of each year. When issued, the permit will run on a calendar year basis, January 1 through December 31. A litter control participation permit is required for each place of business in which the retailer makes taxable sales of food and/or beverages.

1.2 Computation of Fee

- A. The permits are issued in different classes (A, B, C, D, E) depending upon the retailer's gross receipts at each location for the prior calendar year. The applicable fee for each class of permit is shown in the table below.
- B. "Gross receipts" means those receipts reported for each location to the tax administrator under the sales tax law without deduction for any retail sales except for interstate sales deductions and sales to the United States Government. If a retailer operates at multiple locations under different sales tax permit numbers, gross receipts shall be determined by each individual sales tax permit number.

1.3 Gross Receipts Table

- A. Table

Gross Receipts	Class	Fee
\$0 to less than \$50,000	A	\$ 25

\$50,000 to less than \$100,000	B	\$ 35
\$100,000 to less than \$400,000	C	\$ 75
\$400,000 to less than \$1,000,00	D	\$100
\$1,000,000 or more	E	\$125 Per million dollars or fraction thereof

B. If the gross receipts for the prior calendar year exceed \$1,000,000, the permit fee is \$125 per million and fraction thereof.

C. Examples

1. If gross receipts (less interstate and U.S. deductions, if any) are \$1,450,000, the applicable fee is \$125.
2. If gross receipts (less interstate and U.S. deductions, if any) are \$3,800,000, the applicable fee is \$375.
3. An applicant applying for a Class E permit shall pay a fee of no more than \$1,000 provided taxable sales of food and/or beverage and the sale of food products (whether subject to sales tax or not) do not exceed ten percent (10%) of the gross receipts for such permit location.
4. Fee for Purchaser of an Ongoing Business
 - a. A person who purchases an ongoing business and continues to operate the business from the same location without interruption in a calendar year for which the prior permit holder has paid the applicable fee may obtain a permit for the remainder of that calendar year upon payment of a twenty-five dollar (\$25) fee. In the event that the prior permit holder did not pay the applicable fee for the current calendar year, the purchaser must pay a fee based upon the prior permittee's gross receipts for the applicable calendar year at that location.

1.4 Vending Machine Option

A. In those cases where the only sale of food and/or beverage is the operation of a vending machine(s), the retailer may obtain at its option a permit for each vending machine owned or obtain a permit based on total gross receipts. If the election is made to pay on vending machine(s), a class V permit may be applied for by multiplying the number of qualifying (food and/or beverage machines) vending machines by \$25 to arrive at the correct fee.

1. EXAMPLE:

a. ABC Company's only sale of taxable food and/or beverages is through the operation of two (2) vending machines owned. Total gross receipts for the prior calendar year were \$1,100,000, which would mean a fee of \$125 under the gross receipts method. ABC may elect to apply for a class V permit and pay a fee of \$50 (2 vending machines x \$25).

B. A retailer is not considered the owner/operator of a food or beverage vending machine(s) if he or she is not responsible for the reporting of the sales tax on the items dispensed from the machines.

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