

State of Rhode Island - Division of Taxation

Sales and Use Tax

Regulation SU 07-33

Delivery Charges

(1) “Delivery Charges” are included in the “sales price” of property and therefore subject to sales tax if the property sold is taxable. If the property sold is exempt, delivery charges are not subject to sales tax.

“Delivery Charges” means charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services including, but not limited to, transportation, shipping, postage, handling, crating, and packing.

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

Cross Reference: Regulation SU 07-87 – Direct Mail, Printing and Related Industries

(2) Taxable and Exempt Property Included In Shipment: If a shipment includes both exempt property and taxable property, the seller should allocate the delivery charges by using:

- a. a percentage based on the total sales prices of the taxable property compared to the total sales prices of all property in the shipment; or
- b. a percentage based on the total weight of the taxable property compared to the total weight of all property in the shipment.

The seller must tax the percentage of the delivery charge allocated to the taxable property but does not have to tax the percentage allocated to the exempt property.

DAVID M. SULLIVAN
TAX ADMINISTRATOR

EFFECTIVE DATE: January 2007

THIS REGULATION AMENDS AND SUPERCEDES REGULATION SU 88-33
DECEMBER 31, 1988