

State of Rhode Island and Providence Plantations
Rhode Island Department of Revenue
Division of Taxation

Public Notice of Proposed Rule-Making

RULE IDENTIFIER: ERLID 227

REGULATION TITLE: Use Tax -- Statute of Limitations

TIMETABLE FOR ACTION ON THE PROPOSED RULE:

Public Notice Date: February 14, 2018

End of Comment Period Date: March 17, 2018

Pursuant to the provisions of R.I. Gen. Laws § 42-35-2(a)(1), and in accordance with the Administrative Procedures Act, R.I. Gen. Laws Chapter 42-35, the Division of Taxation hereby gives notice of its intent to repeal a regulation regarding Use Tax -- Statute of Limitations.

The proposed regulation and concise summary of non-technical requirements and proposed new rules are available for public inspection at www.tax.ri.gov, in person at the Rhode Island Division of Taxation, or requested by e-mail at Michael.Taylor@tax.ri.gov or by calling Michael Taylor at (401) 574-8930.

In the development of the proposed regulation, consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) whether the regulation, in and of itself, would have significant economic impact on small businesses. No alternative approach, duplication, or overlap was identified based upon available information.

All interested parties are invited to submit written or oral comments concerning the proposed regulations by Thursday, March 16, 2018 to Michael Taylor, Rhode Island Division of Taxation, One Capitol Hill, Providence, RI – telephone number (401) 574-8930 or via e-mail at Michael.Taylor@tax.ri.gov.

This rule is not expected to be controversial and shall be submitted as a direct final rule pursuant to R.I. Gen. Laws § 42-35-2.11. The proposed rule takes effect thirty (30) days after publication if no objection is received. If no objection is received, the rule becomes final. If an objection to the rule is received from any person not later than thirty (30) days after publication of the notice of the proposed rule, the proposed rule does not become final.

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Concise summary of all non-technical requirements pursuant to R.I. Gen. Laws § 42-35-2(a)(1) for rules and regulations regarding Use Tax -- Statute of Limitations.

The purpose of this regulation is repeal the regulation regarding Use Tax -- Statute of Limitations. **This regulation shall take effect March 17, 2018.**

~~Sales and Use Tax~~

~~Regulation SU 87-115~~

~~Use Tax—Statute of Limitations~~

~~Where a taxpayer who is liable only for use tax files a use tax return monthly, and does not report the correct amount of the use tax due, nevertheless such filing sets the running of the statute of limitations, and an assessment for additional tax must be made and the determination mailed within three (3) years after the return is filed, excepting in case of fraud or intent to evade the provisions of the law, in which case the statute does not operate.~~

~~Similarly where a retailer or permittee has filed a sales and use tax return monthly, but has reported only a sales tax and has left blank those lines on the return referring to the use tax, such filing of the return in good faith, (i.e., containing no information that is misleading or designed to prevent discovery of material facts necessary to make an assessment,) sets the running of the statute as to both the sales and use tax and an assessment for recovery of any use tax claimed to be due must be made and the determination mailed within three (3) years after the return was filed, except in case of fraud or intent to evade the provisions of the law, in which case the Statute does not operate against the State.~~

~~Where a taxpayer or retailer who is required to file a return under the provisions of the sales and use tax law fails to do so, the statute of limitations is inoperative against the State and an assessment covering a period of six (6) years may be made.~~

~~R. GARY CLARK~~

~~TAX ADMINISTRATOR~~

~~DATE: May 1, 1987~~