

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

Public Notice of Proposed Rule-Making

RULE IDENTIFIER: ERLID 4317

REGULATION TITLE: Sales and Use Tax - Interstate Sales

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 Sales and Use Tax - Interstate Sales.

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 Sales and Use Tax - Interstate Sales.

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

State of Rhode Island—Division of Taxation

Sales and Use Tax

Regulation SU-07-56

Interstate Sales

~~(A) Goods coming into this State~~

~~When tangible personal property is purchased in interstate commerce for use or consumption in this state and (1) the seller is engaged in the business of selling such tangible personal property in this state for use or consumption and (2) delivery is made in this state, such sale is subject to the use tax. Such sale is taxable regardless of the fact that the purchaser's order may specify that the goods are to be manufactured or procured by the seller at a point outside this state and shipped directly to the purchaser from the point of origin, and the seller is required to report all such transactions and collect and remit to this state the use tax on all taxable purchases.~~

~~If the conditions above are met it is immaterial (1) that contract of sale is closed by acceptance outside the state or (2) that the contract is made before the property is brought into the state.~~

~~Delivery is held to have taken place in this state (1) when physical possession of the tangible personal property is actually transferred to the buyer within this state or (2) when the tangible personal property is placed in the mails at a point outside this state directed to the buyer in this state or placed on board a carrier at a point outside this state (or otherwise) and directed to the buyer in this state.~~

~~Engaging in business in this state includes the following acts or methods of transacting business: (a) maintaining directly, indirectly or through a subsidiary, an office, distribution house, sales house, warehouse or other place of business; (b) having an agent, sales person or solicitor operating within the state under the authority of the seller or its subsidiary irrespective of whether such place of business, agent, sales person or solicitor is located in this state permanently or temporarily or whether such seller or subsidiary is qualified to do business in this state; (c) the regular or systematic solicitation of tangible personal property in this state by means of advertising in newspapers and other~~

~~periodicals; billboards; brochures, catalogs and similar advertising material mailed to or distributed within the state to residents of this state; telephone; computer assisted shopping networks; television, radio or other electronic media intended to be broadcast to customers located in this state.~~

~~(B) Goods Shipped from this State~~

~~When tangible personal property is sold within the state and the seller is obligated to deliver it to a point outside of the state, or to deliver it to a common carrier or to the mails for transportation to a point outside this state, the retail sales tax or use tax does not apply, provided that the property is not returned to a point within the state. Acceptable proof of transportation outside the state will be:~~

~~(a) A waybill or bill of lading made out to the seller's order and calling for delivery; or~~

~~(b) An insurance or other receipt or registry issued by the United States postal authorities; or~~

~~(c) A trip sheet signed by the seller's delivery agent or agency and showing the signature and address of the person outside this state who received the goods delivered.~~

~~Where tangible personal property pursuant to a sale is delivered in this state to the buyer or to the buyer's agent other than a common carrier the retail sales tax applies notwithstanding that the buyer may subsequently transport the property out of the state, except in the case of property sold for resale.~~

~~DAVID SULLIVAN~~

~~TAX ADMINISTRATOR~~

~~EFFECTIVE DATE: January 2007~~

~~THIS REGULATION AMENDS AND SUPERCEDES REGULATION SU 90-56~~

~~PROMULGATED DECEMBER 31, 1990.~~