

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

Public Notice of Proposed Rule-Making

RULE IDENTIFIER: ERLID 236

REGULATION TITLE: Cafeterias Operated by Tax Exempt Hospitals

TIMETABLE FOR ACTION ON THE PROPOSED RULE:

Public Notice Date: February 15, 2018

End of Comment Period Date: March 18, 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 Cafeterias Operated by Tax Exempt Hospitals.

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 March 18, 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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Division of Taxation

Concise summary of all non-technical requirements pursuant to R.I. Gen. Laws § 42-35-2(a)(1) for rules and regulations regarding Cafeterias Operated by Tax Exempt Hospitals.

The purpose of this regulation is repeal the regulation regarding Cafeterias Operated by Tax Exempt Hospitals. **This regulation shall take effect March 18, 2018.**

~~State of Rhode Island -- Division of Taxation~~

~~Sales and Use Tax~~

~~Regulation SU 87-15~~

~~Cafeterias Operated by Tax Exempt Hospitals~~

~~Although, under the provisions of section 44-18-30(5) of the Rhode Island sales and use tax act, hospitals not operated for profit are exempted from paying either a sales tax or a use tax on tangible personal property which is sold to them, nevertheless when such hospitals operate cafeterias where meals, food or beverages are regularly sold to employees or other persons, such sales are subject to the tax. Accordingly, the tax shall apply to the gross receipts derived from such sales.~~

~~R. GARY CLARK~~

~~TAX ADMINISTRATOR~~

~~DATE: May 1, 1987~~