

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

~~Sales and Use Tax~~

~~Regulation SU 87-82~~

~~Pawnbrokers~~

~~Pawnbrokers are primarily engaged in the business of lending money for the repayment of which they accept as security tangible property from the owner or pledger.~~

~~In case the pawner or pledger does not redeem the property pledged or pawned within specified statutory time, such property is forfeited to the pawnbroker, to whom title thereto passes at such time.~~

~~Where pawnbrokers thereafter sell such articles at retail they are making sales within the Sales Tax Act, and must collect and remit the tax thereon.~~

~~R. GARY CLARK~~

~~TAX ADMINISTRATOR~~

~~DATE: May 1, 1987~~