

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

~~Sales and Use Tax~~

~~Regulation SU 87-81~~

~~Partnership Dissolution and Distribution of Assets~~

~~Where there is a dissolution of a partnership and a distribution of the assets between the partners includes a motor vehicle or vehicles, the transfer of the interest of one partner in such vehicle or vehicles to the other partner does not constitute a taxable casual sale within the meaning of the provisions of Section 44-18-20, provided the last taxable sale, transfer or use of the article being transferred or sold was subjected to a sales or use tax imposed by this state, and any gain or loss to the transferor is not recognized for federal income tax purposes.~~

~~R. GARY CLARK~~

~~TAX ADMINISTRATOR~~

~~DATE: May 1, 1987~~