State of Rhode Island – Division of Taxation

Sales and Use Tax

Regulation SU 07-95

Resale Certificate

Sellers who accept a **properly completed** resale exemption certificate, absent fraud or collusion, are relieved of liability for improperly claimed exemptions.

Sellers may accept either the Streamlined Sale Tax Certificate of Exemption or a Rhode Island Resale Certificate from a purchaser who purchases property for resale. (Bold for emphasis)

The Streamlined Sales Tax Governing Board has approved a uniform Certificate of Exemption. This certificate may be obtained at: http://www.streamlinedsalestax.org/

If a Rhode Island certificate is used:

The certificate shall be substantially in the form prescribed below. It shall in all cases be signed by the purchaser, bear the purchaser's name and address, and indicate the general character of the property sold by the purchaser in the regular course of business. It shall also bear the number of the seller's permit held by the purchaser, but if the seller is not required to hold a permit because he/she sells only property of a kind the sale of which is not taxable, e.g., food products for human consumption, or because no sales are made in this State, he or she should make an appropriate notation to that effect on the certificate in lieu of his or her seller's permit number. A person selling goods at wholesale only may furnish the seller with a "Wholesaler's-Resale Certificate."

The following form of Rhode Island resale certificate is prescribed by the Tax Administrator pursuant to Section 44-18-25 and copies of the same may be made and used by any seller of tangible personal property in accordance with this regulation.

Under Description of property to be purchased there may appear:

(1) Either an itemized list of the particular property to be purchased for resale, or

(2) A general description of the kind of property to be purchased for resale. (A certificate thus describing the property is good until revoked in writing).

This certificate may be used for the purpose of a single purchase of commodities for resale; in such case (1) applies, or it may be used as a blanket certificate for the purpose of a continuing line of purchases of commodities for resale in the regular course of business; in the latter case (2) above applies, and the certificates should be plainly marked "Blanket Certificates."

Effective January 1, 1996, persons selling tangible personal property other than refreshments (food or drinks) at flea markets will no longer be issued a permit to make sales at retail but shall be issued a Flea Market Vendor's Permit instead. That permit shall be issued on an annual, quarterly, or 30-day basis.

Resale certificates may not be issued by flea market vendors. In lieu of a resale certificate, a flea market vendor holding an annual or quarterly permit shall issue a copy of its Flea Market Vendor's Permit to the seller of tangible personal property as proper evidence that the property being purchased is for resale.

~~Holders of a 30-day permit may not make extax purchases of tangible personal property for resale. The seller may not accept an annual or quarterly Flea Market Vendor's Permit beyond the expiration date.~~

~~DAVID M. SULLIVAN TAX ADMINISTRATOR~~

~~EFFECTIVE DATE: JANUARY 2007~~

~~THIS REGULATION AMENDS AND SUPERCEDES REGULATION SU 96-95 PROMULGATED JANUARY 1, 1996.~~