State of Rhode Island – Division of Taxation

Sales and Use Tax

Regulation SU 87-119

Wholesalers and Distributors - Sales Made By

This regulations, besides containing a restatement of the obligation which wholesalers and distributors now have as well as in the past have had, relative to obtaining certificates from certain purchasers as evidence of sales transactions claimed to be exempt from the tax, now prescribes additional requirements regarding certain notations which must appear on invoices reflecting such sales.

Gross receipts from sales of tangible personal property made by wholesalers and distributors shall be regarded as receipts from retail sales and therefore taxable unless it can be shown that such receipts are attributable to sales exempted by Rhode Island law.

Copies of all invoices reflecting exempt sales of tangible personal property made by wholesalers and distributors must be maintained, each to contain the correct name and address of the purchaser and the date of purchase.

It will be presumed that such portion of the seller's gross receipts which is not properly evidenced as exempt will be subject to the tax and the wholesaler or distributor will have a direct obligation to pay the tax to the state.

CROSS REFERENCES: Resale Certificates; Contractors and Subcontractors; Farm Equipment; Commercial Fishermen; Exempt Organizations.

R. GARY CLARK

TAX ADMINISTRATOR

DATE: May 1, 1987