



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

Advisory

July 1, 2014

ADVISORY: ADV 2014-12

Sales tax permits

Retailers should begin receiving their new Rhode Island sales tax permits next week, said Rhode Island Tax Administrator David M. Sullivan. A retailer may continue to use the old permit until July 18 – assuming that the retailer has successfully renewed the permit and is current on state tax obligations.

“We want to assure retailers who are in good standing that they can continue to use their existing sales tax permits until July 18. By then, the new ones will have arrived,” he said. About 30,000 sales tax permits are issued each year. Sales tax permits expire each June 30. New ones take effect each July 1 and are typically mailed well in advance. This year, mailing was temporarily delayed due to a merger and relocation involving a vendor. As a result, mailings will begin on July 7, 2014.

- For retailers that typically file sales tax returns using coupons from the Division of Taxation’s official booklet, the booklet is scheduled to arrive by late next week. The mailing will include the new sales tax permit as well as payment coupons.
- For retailers that do not use coupons to file sales tax returns, sales tax permits will be mailed early next week. (Some retailers have already received their permits for the new year – and may receive replacement ones by mail starting early next week.)

“For those who use coupons to make payments, we’ll be mailing coupon booklets out next week, too – in plenty of time to make your first payment,” Sullivan said. Retailers can print out blank coupons from the Division of Taxation’s website, including [monthly coupons](#) as well as [quarterly coupons](#). He also urged retailers to take advantage of the convenience of electronic filing. “It’s easy to set up a business account on our website and start making your payments online” through the agency’s [business tax filings link](#), he said.

Real estate conveyance tax

The Division of Taxation reminds real estate professionals and others that the state’s real estate conveyance tax has changed, effective today, July 1, 2014. In general, the real estate conveyance tax applies when real estate changes hands.

As a result of legislation enacted in June 2014, the tax is now \$2.30 for each \$500 (or fractional part thereof) which is paid for the purchase of real estate, up from \$2.00. The increase applies to real estate closings on or after July 1, 2014. The increase is reflected in [Notice 2014-07](#), which is aimed mainly at real estate professionals and others, and [Notice 2014-08](#), which is intended for cities and towns.

Revenue from the increase will go to a restricted receipts account to help pay for the lead hazard abatement program, a housing rental subsidy, homeless prevention assistance, and housing retention assistance. The tax was last raised in 2002, when it went to \$2.00 from \$1.40. The tax is collected and remitted by cities and towns.

Summary of Legislative Changes

The Division of Taxation has posted a [Summary of Legislative Changes](#), which summarizes key tax elements of the recently enacted State budget for fiscal year 2015.

Regulations

The Rhode Island Division of Taxation has posted as final [Regulation OTP 14-01](#), which involves the taxation of tobacco products other than cigarettes (sometimes referred to as “other tobacco products” or “OTP”).

The agency formally repealed [Regulation EFT 00-01](#), which involves electronic funds transfer, because a more recent regulation covering the same subject is available.

The agency formally repealed [Regulation CR 02-12](#), which deals with a credit for expenses related to quality standard certificates, because the underlying statute has been repealed.

Administrative Decisions

The Division of Taxation recently posted a number of new Administrative Decisions:

- [Decision 2014-13](#) involves the cigarette tax and contraband cigarettes.
- [Decision 2014-14](#) looks at whether a refund claim was filed on time.
- [Decision 2014-15](#) involves a taxpayer’s eligibility for a property tax relief credit.
- [Decision 2014-16](#) looks at the denial of an application for a sales permit.
- [Decision 2014-17](#) involves a taxpayer’s eligibility for a property tax relief credit.

Historic preservation tax credits

The Division periodically updates its [information page involving historic preservation tax credits](#). The updates typically show the latest applicants to sign a contract and pay the required fee under the state’s 2013 historic preservation tax credit program. One of the most recent projects involves [a mill in West Warwick](#).

For questions about this Advisory, contact:

Neil Downing,
Chief Revenue Agent
Rhode Island Division of Taxation
Neil.Downing@tax.ri.gov
(401) 574-8115