

Rhode Island Department of Revenue Division of Taxation

IMPORTANT NOTICE

Collection of Sales and Hotel Tax Requirement for Room Resellers

The Rhode Island General Assembly amended R.I. Gen. Laws § 44-18-7.3(4) which now requires Room Resellers conducting business with hotels in Rhode Island to register with the Rhode Island Division of Taxation, and to charge and collect sales/use and hotel taxes and remit those taxes to the Division of Taxation.

KEY TERMS OF THE NEW REQUIREMENT

A “Room Reseller” is defined as any person, except a tour operator (as defined in RI Gen. Laws Section 42-63.1-2), that has any right, permission, license, or other authority from or through a hotel, to reserve or arrange the transfer or occupancy of, accommodations the reservation or transfer of which is subject to this chapter, such that the occupant pays all or a portion of the rental and other fees to the Room Reseller or Reseller.

The Room Reseller or Reseller is required to calculate and collect both the sales and hotel tax upon the amount of rental and other fees paid by the occupant to the Room Reseller or Reseller, **less** the amount of any rental and other fees paid by the Room Reseller or Reseller to the hotel. The hotel shall collect and remit both sales and hotel tax upon the amount of the rental fees paid to the hotel by the Room Reseller.

To comply with the requirements, all Room Resellers or Resellers must register with the Rhode Island Division of Taxation, pay the annual \$10 Sales Tax Permit fee, and collect and remit the sales/use tax and the hotel tax.

To register, fill out the Business Application and Registration (“BAR”) form available on the Division of Taxation’s website at:

http://www.tax.ri.gov/forms/2015/Excise/Sales/TX_BAR_07202015.pdf.

When filling out the BAR, please keep in mind:

- On the “Do you make sales at retail?” line, check “yes”
- Under the “Will you be selling” section, check the “yes” box next to “Rental of room(s)/home(s)”
- On the “Business Code #” line, enter 57-7096

Should you have any questions, please contact the Excise Tax Section at (401) 574-8955.