



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

December 24, 2012

ADV 2012-39

Advisory:

Rhode Island wins recertification on Streamlined Sales Tax pact

The [Streamlined Sales Tax Governing Board](#) has found Rhode Island to be in compliance with the Streamlined Sales and Use Tax Agreement. As a result, Rhode Island has been recertified, which essentially means it can continue as a member of the agreement for another year.

Each member state of the agreement must recertify each year that it is in compliance with the SSUTA. SSUTA's Governing Board, in a vote on December 12, found seven states "out of compliance" with the agreement, but also found 15 states – [including Rhode Island](#) – to be "not out of compliance" with the agreement.

"We are pleased with the results of the vote, and we remain strong supporters of the SSUTA," said Rhode Island Tax Administrator David M. Sullivan. The Rhode Island Division of Taxation is working on certain minor changes, including a regulation, to ensure the state's continued compliance with the agreement, said Peter McVay, associate director of revenue services, who led Rhode Island's effort to obtain recertification.

The agreement is intended to simplify and modernize sales and use tax administration. One result of being in compliance and obtaining recertification is that a state can generate additional revenue. By being a member of SSUTA, Rhode Island generates about \$2 million a year from out-of-state retailers that voluntarily collect and remit Rhode Island's sales tax.

A Rhode Island law enacted in June 2012 included a provision to extend the sales tax to certain clothing and footwear effective October 1, 2012 – a provision that generally is not allowed under terms of the SSUTA. However, the current SSUTA recertification is as of August 1, 2012, which is before Rhode Island's provision involving certain clothing and footwear took effect. Furthermore, there have been discussions about making a special SSUTA allowance for Rhode Island's sales tax treatment of clothing and footwear – as has been done for other states.

Contact:

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