



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE
DIVISION OF TAXATION

Tax Administrator's Report:

Sales and Taxation of Alcoholic Beverages in Rhode Island



Ad Meskens via Wikimedia Commons

May 1, 2013



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE
DIVISION OF TAXATION

May 1, 2013

The Honorable Daniel Da Ponte
Chairman
Committee on Finance
Rhode Island Senate

The Honorable Helio Melo
Chairman
Committee on Finance
Rhode Island House of Representatives

I am submitting this report to you in fulfillment of the requirements set forth in legislation approved by the General Assembly and signed into law in June 2012.¹

The terms of that legislation, now reflected at Rhode Island General Laws (RIGL) [§ 3-10-5\(b\)](#), require that the Tax Administrator, on or before May 1 of each year, prepare and submit to you a report showing total sales of alcoholic beverages, sales tax collections, and excise tax collections, by county, in Rhode Island for the preceding calendar year.

This inaugural report draws its data from annual reports recently filed with the Division of Taxation by licensees who are authorized to sell intoxicating beverages at wholesale or retail in this state. Licensees must file their annual reports with us by February 1.

Please let me know if you have any questions or require additional information.

Sincerely yours,

David M. Sullivan
Rhode Island Tax Administrator

¹ [Rhode Island Public Law 2012, ch. 241, art. 21, § 15](#)

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“Each licensee authorized to sell intoxicating beverages at wholesale or retail in this state shall file an annual report on or before February 1 with the division of taxation in the form required by the tax administrator. Such report shall include, but shall not be limited to, total sales of alcoholic beverages, as well as sales tax and excise tax collections on such sales for the immediately preceding calendar year. Annually, on or before May 1, the tax administrator shall prepare and submit to the chairs of the house and senate finance committees a report reflecting data from the annual reports submitted by said licensee to the division of taxation. The tax administrator's report shall compile total sales of alcoholic beverages, sales tax, and excise tax collections by county.”

-- Rhode Island General Laws [§ 3-10-5\(b\)](#)<sup>2</sup>

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² As edited.

Executive Highlights

The Rhode Island Division of Taxation has reviewed the sales and taxation of alcoholic beverages in Rhode Island in calendar year 2012. The results, based on reports from about 1,500 retailers and 23 wholesalers, are contained in this report. Following is a summary:

Aggregate sales by all retail liquor licensees

- Taxable sales by all retail liquor licensees in Rhode Island – including liquor stores, restaurants, bars, taverns, social clubs, country clubs, and others – came to \$1.54 billion in the aggregate. The figure includes actual sales of alcoholic beverages, taxable food, and other taxable items. The greatest dollar amount of those sales was recorded in Providence County, while the least was recorded in Bristol County.
- The \$1.54 billion in overall sales of alcoholic beverages and other taxable items by all retail liquor licensees generated \$107.92 million in sales tax.

Sales – only of alcoholic beverages – by all retail liquor licensees

- The Division of Taxation estimates that sales only of alcoholic beverages by all retail licensees – including liquor stores, restaurants, and others – totaled \$616.67 million.
- Based on those sales, involving only alcoholic beverages, the Division of Taxation collected an estimated \$43.17 million in sales tax.

Excise tax on wholesalers/distributors

- The Division of Taxation received \$10.61 million in excise tax, in the aggregate, from wholesalers/distributors of alcoholic beverages in 2012, based on amounts of malt beverages, wine, and other alcoholic beverages they sold to retailers in Rhode Island (and not counting inventory).

Introduction

Shortly after the General Assembly in June 2012 approved legislation requiring an annual report involving sales of alcoholic beverages and related taxes, the Rhode Island Division of Taxation began steps to implement the provision.

By law, the Division of Taxation's report had to be based on specialized reports filed by the licensees themselves – something that the licensees had never been required to do.

As a result, the Division of Taxation set about creating a way for retailers and wholesalers/distributors to make the filing as convenient as possible – thus encouraging compliance.

Taxpayers that are subject to the alcoholic beverage reporting provisions are not penalized for failing to report – Rhode Island statutes contain no penalties for failure to comply. Thus, the Division of Taxation felt it imperative to encourage voluntary compliance.

The Division of Taxation already had in place an annual sales and use tax reconciliation form for all retailers – which liquor stores and other retailers were required to complete. The agency used that form as the basis for creating a form specialized for retailers of alcoholic beverages.³

The Division of Taxation also created a form especially for use by wholesalers/distributors of alcoholic beverages in Rhode Island.⁴

To further promote compliance, the Division of Taxation modified its online filing and payment portal to allow retailers and wholesalers of alcoholic beverages to file their reports online.⁵

To make as many people aware of the new law as possible, the Division of Taxation in June 2012 published a summary of legislative changes – including a briefing about the reporting change for alcoholic beverage retailers and wholesalers.

The Division of Taxation also took steps to directly notify retailers, wholesalers, business groups, accountants, and others about the changes. For example, the agency in November 2012 developed two official notices – one intended for liquor store owners and other retailers, the other for wholesalers – and posted them on its website.^{6,7} The Division of Taxation used its blog to help announce the postings of the notices.⁸

Shortly thereafter, the Division of Taxation mailed its fully redrafted reconciliation form to about 1,500 retailers who sell alcoholic beverages at retail – including taverns, bars,

³ Please see Appendix A.

⁴ Please see Appendix B.

⁵ Address is <https://www.ri.gov/taxation>. (For screenshot, please see Appendix C.)

⁶ Retailers' notice is at Appendix D; wholesalers' notice is at Appendix E.

⁷ [Notice 2012-12](#) for retailers, [Notice 2012-13](#) for wholesalers.

⁸ Screenshot is at Appendix F.

liquor stores, and others. The Division of Taxation also mailed a separate, fully redrafted reconciliation form to the more than 20 wholesalers/distributors of alcoholic beverages.

The agency also posted and distributed an Advisory that included, in its list of frequently asked questions, a section about the sales tax annual reconciliation form for retailers of alcoholic beverages.⁹

All the while, the Division of Taxation kept its many stakeholders informed – through e-mails to practitioners, business groups, and others; through posts to its blog; and through tweets via its Twitter account.¹⁰

Furthermore, representatives from the agency's Excise Tax section, and others, held a number of offsite meetings - with public accountants, certified public accountants, and others – to let them know about the changes in the law, and to keep them posted on the agency's efforts to ensure compliance.

Retail sales and tax report

Rhode Island levies a 7 percent sales and use tax on the sale of beer, wine, spirits, and other alcoholic beverages.¹¹ Under RIGL § 3-10-5(b), the Tax Administrator must – on or before May 1 or each year – prepare and submit to the chairs of the House and Senate Finance Committees a report showing total sales of alcoholic beverages, sales tax collections, and excise tax collections, by county, in Rhode Island for the preceding calendar year. The first such report is due May 1, 2013.

The Tax Administrator's report is based on annual reports filed with the Division of Taxation by licensees who are authorized to sell intoxicating beverages at retail in this state. The first such set of reports was due on or before February 1, 2013.

Despite the Division of Taxation's extensive outreach and communications effort, only about 45 percent of retail liquor license holders filed the required annual reconciliation for alcoholic beverages, which was due on or before February 1, 2013.¹²

As a result, in order to meet the May 1, 2013, deadline imposed by the law for this report, the Division of Taxation was required to make projections based on the information from the license holders that did file, and on collections made throughout calendar year 2012. For example, the Division of Taxation's records showed that \$107 million had been collected in 2012 by taxpayers holding retail liquor licenses. With this information in hand, and with other data and formulas at its disposal, the Division of Taxation estimated that approximately \$24 million in sales in 2012 was generated solely by liquor stores, while approximately \$83 million in sales was

⁹ Please see Appendix G.

¹⁰ Screenshot is at Appendix H.

¹¹ RIGL § 44-18-18.

¹² Overall, 671 of the approximately 1,500 retail license holders filed the required report. One reason that fewer than half of the license holders responded may be that Rhode Island statutes do not provide for a penalty for those who fail to file their alcoholic beverage annual reconciliation.

generated by liquor license holders who also sold meals – such as restaurants, bars, taverns, and others.

Sales and tax from all retail liquor licensees

The Division of Taxation estimates that taxable sales in Rhode Island by all liquor licensees – including liquor stores, bars, taverns, restaurants, and others – came to \$1.54 billion in the aggregate in calendar year 2012. (Please see Table 1.)

| County | Actual total sales * (alcoholic beverages, food, other taxable items) | Actual sales tax remitted * (on total sales) | Estimated sales of alcoholic beverages ** | Estimated sales tax remitted ** (on alcoholic beverage sales) |
|--------------------------|---|--|--|---|
| Bristol County | \$ 52,369,744 | \$ 3,665,882 | \$ 20,947,898 | \$ 1,466,353 |
| Kent County | \$ 242,191,012 | \$ 16,953,371 | \$ 96,876,405 | \$ 6,781,348 |
| Newport County | \$ 284,246,162 | \$ 19,897,231 | \$ 113,698,465 | \$ 7,958,893 |
| Providence County | \$ 722,768,473 | \$ 50,593,793 | \$ 289,107,389 | \$ 20,237,517 |
| Washington County | \$ 240,108,160 | \$ 16,807,571 | \$ 96,043,264 | \$ 6,723,028 |
| Total: | \$ 1,541,683,551 | \$ 107,917,848 | \$ 616,673,421 | \$ 43,167,139 |

Sales are by all retail liquor licensees, including liquor stores, bars, restaurants, social clubs, country clubs, and others, for calendar year 2012. Columns may not add due to rounding.

* Includes all sales at retail subject to tax, including alcoholic beverages, taxable food, and other taxable items.

** Solely alcoholic beverages. Figures are projections based on limited number of annual sales tax reconciliation returns that broke out sales of alcoholic beverages.

Of the \$1.54 billion in aggregate retail sales by all liquor licensees in Rhode Island in calendar year 2012, Providence County ranked first, generating \$722.77 million in sales. Bristol County ranked fifth of the five counties, generating \$52.37 million in sales.

The figures include all sales at retail subject to sales tax – alcoholic beverages, but also other items, such as food and non-alcoholic beverages. Those sales generated \$107.9 million in sales tax revenue.

The Division of Taxation estimates that sales of alcoholic beverages alone, by all retail liquor licensees (including restaurants, bars, liquor stores, and others), totaled \$616.67 million in calendar year 2012.

The agency's estimate is based on the limited number of annual sales tax reconciliation returns that broke out sales of alcoholic beverages. Based on those returns, the agency estimated that, on average, about 40 percent of actual total sales – of taxable food, alcoholic beverages, and other items – could be attributed solely to alcoholic beverages. Those alcoholic-beverage-only sales generated an estimated \$43.17 million in sales tax in calendar year 2012.

Liquor store sales and tax

The Division of Taxation calculates that liquor stores in Rhode Island had taxable sales, in the aggregate, of \$347.18 million in 2012. (Please see Table 2.)

| County | Total sales (gross) | Sales tax remitted | County rank |
|-------------------|-----------------------|----------------------|-------------|
| Bristol County | \$ 12,395,711 | \$ 867,700 | 5 |
| Kent County | \$ 75,414,113 | \$ 5,278,988 | 2 |
| Newport County | \$ 30,991,164 | \$ 2,169,381 | 4 |
| Providence County | \$ 168,305,126 | \$ 11,781,359 | 1 |
| Washington County | \$ 60,074,368 | \$ 4,205,206 | 3 |
| Total: | \$ 347,180,483 | \$ 24,302,634 | |

Table reflects sales by liquor stores ("package stores") in Rhode Island for calendar year 2012. Figures are for all sales at retail subject to tax – including alcoholic beverages, food and certain other items. Columns may not add due to rounding.

Of the \$347.18 million in total sales, Providence County ranked first in sales, generating \$168.31 million; Bristol County ranked fifth, generating \$12.4 million.

The figures include all sales at retail subject to sales tax – including alcoholic beverages, but also other items, such as food and non-alcoholic beverages. Altogether, those sales generated \$24.3 million in sales tax revenue.

Wholesaler/distributor sales, excise tax report

Under RIGL § 3-10-5(b), the Tax Administrator must – on or before May 1 or each year – prepare and submit to the chairs of the House and Senate Finance Committees a report showing total sales of alcoholic beverages, and excise tax collections, by county, in Rhode Island for the preceding calendar year. The first such report is due May 1, 2013.

The Tax Administrator's report is based on annual reports filed with the Division of Taxation by licensees who are authorized to distribute intoxicating beverages in this state. The first such set of reports was due on or before February 1, 2013.

A total of 23 wholesalers/distributors filed their reports with the Division of Taxation on or about February 1, 2013, representing about 75 percent of the wholesalers/distributors doing business in Rhode Island that were obligated to file.

| Type of beverage | Fee |
|-----------------------------|--------------------|
| Distilled spirits | \$ 3.75 per gallon |
| Low proof distilled spirits | \$ 1.10 per gallon |
| Still wine | \$ 0.60 per gallon |
| Sparkling wine | \$ 0.75 per gallon |
| Malt beverage barrels | \$ 3.00 per barrel |

Excise tax is paid by wholesalers/distributors that are doing business in Rhode Island. It is based on gallons. Tax varies depending on type of beverage – spirits or malt, for example. (For malt beverage barrels, 31 gallons equals one barrel.) "Low proof" distilled spirits are 30 proof or below. Table does not include sales of ethyl alcohol, which are *de minimis*.

Wholesalers/distributors of alcoholic beverages are subject to Rhode Island’s alcoholic beverage excise tax.¹³

The tax varies, depending on the type of beverage.¹⁴ (Please see Table 3.)

For example, the excise tax is \$3.75 a gallon for “distilled spirits” – which generally means whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole or in part of alcohol which is the product of distillation.¹⁵ However, the excise tax is \$1.10 for “low proof” distilled spirits – which generally means beverages containing alcohol measuring 30 proof or less.¹⁶

Sales and tax by county

The Division of Taxation received \$10.6 million in excise tax, in the aggregate, for 2012 from 23 wholesalers/distributors, based on amounts of beer, wine, and other alcoholic beverages they sold to retailers in Rhode Island.¹⁷ (Please see Table 4.)

| County | Total excise tax | County rank |
|---------------|----------------------|-------------|
| Bristol | \$ 393,147 | 5 |
| Kent | \$ 1,993,784 | 2 |
| Newport | \$ 1,115,125 | 4 |
| Providence | \$ 5,308,476 | 1 |
| Washington | \$ 1,801,514 | 3 |
| Total: | \$ 10,612,046 | |

Tax reported by wholesalers/distributors in the aggregate on their annual reconciliation returns for 2012, calculated on alcoholic beverages sold to their retail customers in Rhode Island. Tax is based on gallons, and varies depending on type of beverage – spirits or malt, for example. Table does not include de minimis sales of ethyl alcohol.

Of the \$10.61 million total, the greatest amount of such excise taxes – \$5.31 million – was paid by wholesalers/distributors for alcoholic beverages sold to retailers in Providence County. The smallest amount – about \$393,000 – was paid by wholesalers/distributors for sales to retailers in Bristol County in 2012.

¹³ RIGL § 3-10-1 *et seq.*

¹⁴ The levy is a “manufacturing tax” in some statutes, an “import service fee” on Division of Taxation forms.

¹⁵ RIGL § 3-10-1(a)(4).

¹⁶ *Ibid.*

¹⁷ Wholesalers/distributors paid a combined total of \$11.9 million in Rhode Island excise tax in calendar year 2012 for alcoholic beverages they bought from manufacturers and other distributors and imported to Rhode Island. However, that figure includes inventory, which cannot be accurately broken down by county. Thus, for purposes of this report, the Division of Taxation uses \$10.6 million – which is the total excise tax that wholesalers/distributors listed on their annual reconciliation returns for 2012, net of inventory. This approach allows for a county-by-county breakdown, which is required by statute.

| County | Spirits (in gallons) | Spirits (excise tax) | Low proof spirits (in gallons) | Low proof spirits (excise tax) | Still wine (in gallons) | Still wine (excise tax) |
|---------------|-------------------------|-------------------------|-----------------------------------|-----------------------------------|----------------------------|----------------------------|
| Bristol | 63,574.2 | \$ 238,403 | 3,817.8 | \$ 4,200 | 141,887.1 | \$ 85,132 |
| Kent | 321,508.6 | \$1,205,657 | 21,640.5 | \$ 23,805 | 706,053.9 | \$ 423,632 |
| Newport | 177,904.6 | \$ 667,142 | 8,558.8 | \$ 9,415 | 389,937.8 | \$ 233,963 |
| Providence | 886,938.8 | \$3,326,020 | 52,123.4 | \$ 57,336 | 1,522,031.6 | \$ 913,219 |
| Washington | 297,033.9 | \$1,113,877 | 17,724.7 | \$ 19,497 | 615,059.3 | \$ 369,036 |
| Total: | 1,746,960.1 | \$6,551,100 | 103,865.2 | \$114,252 | 3,374,969.8 | \$2,024,982 |

Columns may not add due to rounding.

The Division of Taxation also gathered data by type of beverage. As a result, the agency is able to present, in this report, total sales – by county – of a given category of beverage, and how much in excise tax was paid for that category of beverage. (Please see Table 5a and Table 5b.)

For example, 1.52 million gallons of “still” wine (in other words, not sparkling wine) were imported into Providence County in 2012, generating about \$913,000 in excise tax, which was remitted by wholesalers/distributors.

| County | Sparkling wine (in gallons) | Sparkling wine (excise tax) | Malt (in gallons) | Malt (excise tax) | Total Excise tax (combined Tables 5a and 5b) |
|---------------|--------------------------------|--------------------------------|----------------------|----------------------|---|
| Bristol | 3279.5 | \$ 2,460 | 650,501.3 | \$ 62,952 | \$ 393,147 |
| Kent | 14320.7 | \$ 10,741 | 3,409,477.8 | \$ 329,949 | \$ 1,993,784 |
| Newport | 12910.1 | \$ 9,683 | 2,014,204.8 | \$ 194,923 | \$ 1,115,125 |
| Providence | 39379.6 | \$ 29,535 | 10,151,119.8 | \$ 982,366 | \$ 5,308,476 |
| Washington | 14010.4 | \$ 10,508 | 2,982,166.1 | \$ 288,597 | \$ 1,801,514 |
| Total: | 83900.3 | \$ 62,925 | 19,207,469.8 | \$ 1,858,787 | \$ 10,612,046 |

Columns may not add due to rounding.

Total sales, excise tax on alcoholic beverages

On an aggregate basis, alcoholic beverage sales in Rhode Island in 2012 generated \$53.8 million in Rhode Island sales and excise tax.

Of that total, \$43.2 million – or about 80 percent – was from estimated sales tax from all retail liquor licensees; about \$10.6 million – or about 20 percent – was from actual excise tax by wholesalers/distributors.

[Appendix follows]



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
 DEPARTMENT OF REVENUE
 DIVISION OF TAXATION
 ONE CAPITOL HILL
 PROVIDENCE, RI 02908
 WWW.TAX.RI.GOV

2012

ALCOHOLIC BEVERAGES RETURN - ANNUAL RECONCILIATION
 SALES AND USE TAX RETURN TO BE FILED BY SELLERS OF INTOXICATING BEVERAGES
 RIGL § 3-10-5

DUE ON OR BEFORE FEBRUARY 1, 2013

| | | |
|---------------------------|----------------|-------------|
| Name | | Taxpayer ID |
| Address | | |
| City, town or post office | State | ZIP Code |
| Telephone number | E-mail address | NAICS Code |

Have you sold or closed your business?..... Yes If yes, on what date? _____

If you file a consolidated Sales Tax Return, list all locations by Rhode Island identification number including the 2 digit location number. If there are more than 15 locations, please attach a separate listing. If you have multiple locations, but file individual Sales Tax Returns, you must file a T-204A-Annual for each location.

| | | | | |
|--|--|--|--|--|
| | | | | |
| | | | | |
| | | | | |

Before completing lines A through E, complete Schedules A and B on page 2.

| | | | |
|---|-----|--|--|
| A. Total Net Taxable Sales for the period Jan - Dec (NOTE: Line A must equal Net Taxable Sales from page 2, line 5)..... | A. | | |
| B. Amount of tax. Multiply line A by 7% (.07)..... | B. | | |
| C. 1. Total tax remitted for the period January through December..... | C1. | | |
| 2. Prepaid sales tax on cigarettes for the period January through December..... | C2. | | |
| 3. Credit balance (if any) per line D of the 2011 Annual Reconciliation return - Form T-204R..... | C3. | | |
| 4. Sales tax due and paid to another state on items included in Schedule A, line 2..... | C4. | | |
| 5. Total Tax Paid. Add lines C1 through C4..... | C5. | | |
| D. Line C5 should equal line B. If line B is more than line C5, there is a balance due . Please remit payment to the Rhode Island Division of Taxation and send in with this Annual Reconciliation. See instructions for additional information. | D. | | |
| E. If line C5 is more than line B, there is a credit due . This amount will be credited to the 2013 sales tax payments. Note: Taxpayer must submit a "Claim for Refund" form with this reconciliation in order to receive a refund of the overpayment..... | E. | | |

I hereby certify that I have personal knowledge of the information constituting this return; that all statements contained herein are true, correct, and complete to the best of my knowledge and belief and that this return is made under penalty of perjury.

| | |
|---|-----------------------------------|
| Name of firm | |
| Signature of owner, partner or authorized officer | Date |
| Title of authorized officer or agent signing return | Form T-204A-Annual New 11/2012 |

Appendix A (continued)

| | |
|------|-------------|
| Name | Taxpayer ID |
|------|-------------|

Attention ACH debit filers, you can file this form online!
Visit: <https://www.ri.gov/taxation>

| |
|---------------|
| TOTALS |
|---------------|

SCHEDULE A

1. Sales by category

| | | | |
|--|-----|--|--|
| a. Alcoholic beverage sales (including beer, wine, malt beverages, and other similar type beverages) | 1a. | | |
| b. Other sales: All sales not listed on line 1a..... | 1b. | | |
| c. Gross sales. Add lines 1a and 1b. | 1c. | | |
| 2. USE: Cost of personal property per RIGL 44-18-20..... | 2. | | |
| 3. TOTAL . Add lines 1c and 2. | 3. | | |

SCHEDULE B

4. Legal Deductions - Sales

| | | | |
|--|------|--|--|
| a. Food and food ingredients for human consumption | 4a. | | |
| b. Resale | 4b. | | |
| c. Interstate | 4c. | | |
| d. Exempt Organizations | | | |
| 1. Federal and State | 4d1. | | |
| 2. Other exempt organizations & non-profits RIGL 44-18-30(5) | 4d2. | | |
| e. Other (Deductions not separately listed above). Specify _____ | 4e. | | |
| f. Total Deductions. Add lines 4a through 4e | 4f. | | |
| 5. Net Taxable Sales. Subtract line 4f from line 3. Carry to page 1, line A | 5. | | |

Appendix A (continued)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE
DIVISION OF TAXATION

INSTRUCTIONS FOR PREPARING
ALCOHOLIC BEVERAGES RETURN - ANNUAL RECONCILIATION

IMPORTANT: To prepare the Alcoholic Beverages Return - Annual Reconciliation, start with Schedule A, line 1a on page 2, then complete all lines on page 2, including Schedule B and Net Taxable Sales.

SCHEDULE A - SALES BY CATEGORY

LINE 1a: Alcoholic beverage sales. Include all ALCOHOLIC BEVERAGE sales for the year in any way related to Rhode Island businesses, including any sales exempt from tax.

LINE 1b: Enter all other sales.

LINE 1c: Gross sales. Add lines 1a and 1b and enter total on this line.

LINE 2: USE TAX. Enter cost of tangible personal property purchased outside of Rhode Island tax free for use, storage or consumption by you in this state during the year or cost of personal property purchased for resale and subsequently used or consumed by you during the year rather than being sold. Also, include on this line the amount of any other transactions during the year subject to the sales and use tax (e.g., electricity, gas, etc., used for heating or lighting and purchased without payment of the tax).

LINE 3: TOTAL SALES FOR THE YEAR. Add lines 1c and 2 and enter total on this line.

SCHEDULE B - DEDUCTIONS

LINE 4: LEGAL DEDUCTIONS - Include all sales that are exempt from sales tax.

LINES 4a - 4e - Enter the amount of deductions on the appropriate lines. If you have a legal deduction that does not have its own line, enter the amount on line 4e and provide a description of the deduction.

LINE 4f: TOTAL DEDUCTIONS FOR THE YEAR. Add lines 4a through 4e and enter the amount on this line.

LINE 5: NET SALES FOR THE YEAR. Subtract line 4f from line 3 and enter the amount on this line and on line A on page 1 of the Alcoholic Beverages Return - Annual Reconciliation.

FRONT OF RETURN

LINE A: Enter the amount from line 5 of the back of the Alcoholic Beverages Return - Annual Reconciliation.

LINE B: NET SALES AND USE TAX DUE FOR THE YEAR. Multiply line A times 7% (0.07) and enter the amount on this line.

LINE C1: TAX PAID FOR THE YEAR. Enter the amount of sales and use tax paid for the period January through December.

LINE C2: PREPAID SALES TAX ON CIGARETTES. Enter the amount of prepaid sales tax on cigarettes purchased during the period January through December.

LINE C3: CREDIT FROM 2011 ANNUAL RECONCILIATION RETURN. Enter the amount of the credit balance (if any) per line D of your 2011 Annual Reconciliation Return - 2011 Form T-204R.

LINE C4: SALES TAX DUE AND PAID TO ANOTHER STATE. Enter the amount of sales tax paid to another state on items included in Schedule A, line 2.

LINE C5: TOTAL TAX PAID. Add lines C1 through C4 and enter the amount here.

LINE D: Line C5 should equal line B. If line B is greater than line C5, there is a balance due. Remit payment to the Division of Taxation along with the Annual Reconciliation form.

LINE E: If line B is less than line C5, this is the amount you overpaid. Overpayments shall be applied to subsequent filing periods. If you wish to receive a refund instead, file a "Claim for Refund" form with the reconciliation.

NOTE: If you file your Alcoholic Beverages Return - Annual Reconciliation via EFT, you will need to submit a separate paper "Claim for Refund" form.

CERTIFICATION SECTION: Located on the bottom of page 1, this section must be completed and signed by an authorized owner, partner or officer.

All forms can be found on the Division of Taxation's website:
http://www.tax.ri.gov/taxforms/sales_excise/

Mail your completed Alcoholic Beverages Return - Annual Reconciliation form to:

RI Division of Taxation
One Capitol Hill
Providence, RI 02940
Attn: Tax Processing

or fax to the Tax Processing Section at (401) 574-8913.

Attention ACH debit filers, you can file this form online!
Visit: <https://www.ri.gov/taxation>

Appendix B



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
 DEPARTMENT OF REVENUE
 DIVISION OF TAXATION
 ONE CAPITOL HILL
 PROVIDENCE, RI 02908
 (401) 574-8892 OR FAX (401) 574-8914

EXCISE SECTION
ALCOHOLIC BEVERAGE IMPORT SERVICE FEE - ANNUAL RECONCILIATION FORM
 TO BE FILED BY ALL REGISTERED IMPORTERS OF ALCOHOLIC BEVERAGES
 DUE ON OR BEFORE FEBRUARY 1, 2013

| | | |
|--------------------------------|-----------------|----------|
| FOR CALENDAR YEAR: 2012 | LICENSE NUMBER: | |
| WHOLESALER NAME | | |
| ADDRESS | | |
| CITY | STATE | ZIP CODE |

ALL GALLONS AND TOTAL SALES ARE BASED ON CALENDAR YEAR 2012 FIGURES.


| PART A: ANNUAL ALCOHOLIC IMPORT FEE COMPUTATION SCHEDULE | | | | | |
|--|--|--------------------------|---------------------|-------------|------------------------------------|
| | (A) TYPE | (B) NET GALLONS RECEIVED | (C) RATE PER GALLON | (D) FEE DUE | (E) RI TOTAL SALES IN DOLLARS (\$) |
| 1 | Distilled Spirits | | X \$3.75 | | |
| 2 | Low Proof Distilled Spirits | | X \$1.10 | | |
| 3 | Ethyl Alcohol - Medicinal Purposes | | X \$3.75 | | |
| 4 | Still Wine | | x \$0.60 | | |
| 5 | Sparkling Wine | | X \$0.75 | | |
| 6 | Packaged Beer | | X \$3.00 per Barrel | | |
| 7 | Malt Beverage Barrels - 31 gallons equals 1 barrel | | X \$3.00 per Barrel | | |
| 8 | TOTAL FEE DUE. Add lines 1 through 7 in column D and enter total. | | | | |
| 9 | TOTAL FEE DUE AND PAID. Enter the total import beverage fee remitted for calendar year 2012. | | | | |
| 10 | BALANCE DUE. Subtract line 9 from line 8. | | | | |
| 11 | TOTAL RHODE ISLAND SALES IN DOLLARS. Add lines 1 through 7 in column E and enter total. | | | | |

| PART B: ANNUAL ALCOHOLIC IMPORT FEE BY COUNTY | | | | | | | |
|---|---|----------------|-------------|----------------|-------------------|-------------------|-----------|
| | TYPE | BRISTOL COUNTY | KENT COUNTY | NEWPORT COUNTY | PROVIDENCE COUNTY | WASHINGTON COUNTY | TOTAL FEE |
| 1 | Distilled Spirits | | | | | | |
| 2 | Low Proof Distilled Spirits | | | | | | |
| 3 | Ethyl Alcohol - Medicinal Purposes | | | | | | |
| 4 | Still Wine | | | | | | |
| 5 | Sparkling Wine | | | | | | |
| 6 | Packaged Beer | | | | | | |
| 7 | Malt Beverage Barrels- 31 gallons equals 1 barrel | | | | | | |
| 8 | TOTAL IMPORT FEE DUE BY COUNTY | | | | | | |

Total Fee Due in Part A, line 8 should equal Total Fee in Part B, line 8

I hereby certify that I have personal knowledge of the information constituting this return; that all statements contained herein are true, correct, and complete to the best of my knowledge and belief and that this return is made under penalty of perjury.

| | |
|---|--------------------------------|
| Name of firm | |
| Signature of owner, partner or authorized officer | Date |
| Title of authorized officer or agent signing return | Form T-2041-Annual New 12/2012 |



State of Rhode Island
Business Taxes
DIVISION OF TAXATION

RI Business Tax Filings

Sign in

Rhode Island Identification No. *
 (11-digit number)

Password *
 (case sensitive)

SIGN IN

First time user?
[Sign up here to create your Rhode Island business tax EFT filing account.](#)

Don't have an RI ID number?
Business application and registration form available at the [Division of Taxation Web site](#), or call 401-574-8938.

Uncertain what types of taxes can be submitted?
View [the list of all currently supported tax types](#), or call 401-574-8484.

[Accessibility](#) | [Privacy Policy](#) | [Security Statement](#) |



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Department of Revenue
DIVISION OF TAXATION
One Capitol Hill
Providence, RI 02908-5800

IMPORTANT NOTICE

TO: ALL TAXPAYERS SELLING ALCOHOLIC BEVERAGES AT RETAIL

As a result of Legislation enacted by the 2012 Session of the Rhode Island General Assembly, Section 3-10-5 of the General Laws entitled "Taxation of Beverages" has been amended to provide for the following:

Each licensee authorized to sell intoxicating beverages at retail in this state shall file an annual report on or before February 1 with the Division of Taxation. Such report shall include total sales of alcoholic beverages and sales tax on such sales for the preceding calendar year. The tax administrator shall prepare and submit a report which compiles total sales of alcoholic beverages, sales tax, and excise tax collections. Such report shall be submitted to the chairs of the house and senate finance committees on or before May 1.

If you have any questions regarding this notice, please contact the Excise Tax Section at (401) 574-8955.

David Sullivan
Tax Administrator

November 2012
Notice 2012-12

TDD (401) 574-8934 (Telecommunication Device for the Deaf)



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Department of Revenue
DIVISION OF TAXATION
One Capitol Hill
Providence, RI 02908-5800

IMPORTANT NOTICE

***TO: ALL FILERS OF ALCOHOLIC BEVERAGE IMPORT SERVICE
FEE RETURNS***

As a result of Legislation enacted by the 2012 Session of the Rhode Island General Assembly, Section 3-10-5 of the General Laws entitled "Taxation of Beverages" has been amended to provide for the following:

Each licensee authorized to sell intoxicating beverages at wholesale or retail in this state shall file an annual report on or before February 1 with the Division of Taxation. Such report shall include total sales of alcoholic beverages, sales tax and excise tax collections on such sales for the preceding calendar year. The tax administrator shall prepare and submit a report which compiles total sales of alcoholic beverages, sales tax, and excise tax collections by county. Such report shall be submitted to the chairs of the house and senate finance committees on or before May 1.

If you have any questions regarding this notice, please contact Scott Lewis in the Excise Tax Section at (401) 574-8892.

David Sullivan
Tax Administrator

November 2012
Notice 2012-13

TDD (401) 574-8934 (Telecommunication Device for the Deaf)





Rhode Island Division of Taxation

Thursday, November 29, 2012

Notices affect sellers of alcoholic beverages

The Tax Division yesterday posted two new Notices on its website. The Notices say that, under a new state law, those who sell alcoholic beverages either [at the retail level](#) or [at the wholesale level](#) must file an annual report with the Tax Division by February 1.

Posted by [Rhode Island Division of Taxation](#) at [Thursday, November 29, 2012](#)

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▼ [November](#) (8)

[Notices affect sellers of alcoholic beverages](#)

Appendix G

Frequently asked questions

Following are answers to some frequently asked questions regarding the annual sales and use tax reconciliation return.

Q: Do I still file a sales tax return for the month of December, or the quarterly return for the period ending December 31?

The annual reconciliation return is in addition to the sales tax return. They are two separate things. File the sales tax return by its normal due date by reporting the amount of sales tax due with payment. File the separate annual reconciliation by January 31. Remember: The Tax Division last year switched to an annual reconciliation instead of a quarterly reconciliation.

Q: What's the best starting point for working on the annual sales tax reconciliation form?

The Tax Division strongly recommends that you complete the back page first -- in other words, Schedules A and B -- before you complete the first page. (Some retailers last year started with the first page -- and wound up filing incomplete or erroneous returns.)

Q: I don't have any sales to enter on Schedule A's Line 1a through Line e.

That's okay. Many retailers will wind up entering a zero on Schedule A's Line 1a through Line 1e simply because they have had no sales of those particular goods or services -- but they will have sales to list on Schedule A, Line 1f.

Q: I received a sales tax annual reconciliation form -- but it's for retailers of alcoholic beverages.

The main sales tax annual reconciliation form is being mailed to about 28,500 retailers. A separate mailing is going to about 1,500 retailers who sell alcoholic beverages at retail -- including taverns, bars, liquor stores, and others. If you received the form for retailers of alcoholic beverages, (Form T-204A-Annual), please start with the second page, then complete the first page. In Schedule A, make sure you list on Line 1a only alcoholic beverage sales; put all other sales on Line 1b. (For instance, a liquor store would enter sales of beer and wine on Line 1a, sales of small bags of salty snacks on Line 1b.)

Q: Can I file my annual sales tax reconciliation online?

Yes. You may [use the state website to file your annual sales tax reconciliation online](#) if you are currently registered to use the website to make electronic payment of sales and use tax via the ACH debit option. If you're not registered, you can still sign up to create your own Rhode Island business tax electronic funds transfer (EFT) filing account. [Click here to start the registration process](#). The online filing feature is only for filers who choose the ACH debit option. You can use the online filing feature if you have a zero balance or balance due. If you have a balance due, the system will prompt you for payment. If you're due a refund, you can still use the online filing feature -- you'll be given a credit, to be applied against future sales tax obligations, but if you want a refund, you'll have to formally file for a refund using the Tax Division's [Claim for Refund form](#).

Q: What if I have more questions about the annual reconciliation?

Please call the Tax Division's Excise Tax section at (401) 574-8955 (select option 2).

Appendix H



RhodeIslandTax @RhodeIslandTax

17 Dec

Advisory focuses on annual sales tax reconciliation -- including some changes to the form: tax.ri.gov/Advisory/ADV%2...

Expand



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11 Jan

Sales tax annual reconciliation can now be filed online, in time for Jan. 31 deadline: ri.gov/taxation/busin...

Expand