



Rhode Island Department of Revenue

Division of Taxation

ADV 2023-04
Tax Administration

ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS
January 27, 2023

Annual Sales Tax Reconciliations Due

Deadline is January 31

PROVIDENCE, R.I. – The Rhode Island Division of Taxation reminds businesses that the Rhode Island Annual Sales and Use Tax Reconciliation is due on or before Tuesday, January 31, 2023.

Annual reconciliation returns are filed by holders of Rhode Island sales permits and cover the 2022 calendar year. Sales and use tax reconciliation returns act as annual reports for retailers. On the form, filers account for sales, deductions, and certain other items for 2022 – including the amount of sales tax remitted.

The best way for Taxpayers to file the annual reconciliation is online via the Division of Taxation's [Taxpayer Portal](#).

If you do not currently file your sales tax returns online, please be advised that Rhode Island has a new electronic filing mandate for larger business registrant taxpayers. This means that beginning on January 1, 2023, larger business registrants are now required to use electronic means to both file returns and to remit taxes to the State of Rhode Island.

A "larger business registrant" is defined as any person who:

- Operates as a business whose combined annual liability for all taxes administered by the Division of Taxation for the entity is or exceeds \$5,000; or
- Operated as a business whose annual gross income is over \$100,000 for the entity.

Details on this mandate and helpful resources can be found on the Division's [Electronic Filing Mandate webpage](#).

Also of note:

- Taxpayers should remember that making a payment, such as your monthly sales tax payment for December does not eliminate the need to file the annual reconciliation.
- Even if you do not owe sales tax, you must file a return for each period and an annual reconciliation each year.
- There are 3 types of reconciliations. One for writers, composers, and artists, one for Class A package and liquor stores, and one for general retailers. All types can be filed through the Taxpayer Portal. More information is contained later in this Advisory.

HIGHLIGHTS

- If you hold a Rhode Island sales tax permit, you must file an annual reconciliation – an annual return.
- The annual reconciliation return covers the 2022 calendar year. On it, you report sales, deductions, and other items.
- The reconciliation return is due on or before January 31, 2023. It can be filed electronically, or on paper. Most annual reconciliation returns are filed online through the Division's Tax Portal and some **must** be.

When preparing to file your annual sales and use tax reconciliation return, please keep the following points in mind:

- You may have received a letter in the mail from the Division reminding you of your obligation to file the sales and use tax reconciliation return. This is a reminder only. It is not an indication that the annual reconciliation is delinquent and/or not filed.
- The sales and use tax reconciliation is an annual filing and must be filed **in addition to** your regular monthly or quarterly sales and use tax return. Filing your annual reconciliation does not change the schedule for making sales and use tax payments or for filing sales and use tax returns.
- If you do not have an account on the Division’s Taxpayer Portal, you will need to create one and request your PIN Notice be mailed to you. Because PIN notices are delivered by postal mail, give yourself plenty of time to obtain one. Same-day Guest Filings and Payments are available on the Portal if you do not yet have an account.
- A note for filers of Form T-204W-Annual, the annual reconciliation for writers, composers, and artists, and Form T-204A-Annual, alcoholic beverages return for class A package and liquor stores: if you do not file through tax filing software, you should have received the annual reconciliation form needed to file preprinted with your name and address.

For those who file their annual sales and use tax reconciliation on paper, forms are available on the Division’s website at: <https://tax.ri.gov/forms/business-tax-forms/sales-excise-forms>.

There are three versions of the annual reconciliation for 2022. One is specifically for writers, composers, and artists. The second is for class A package and liquor stores. The last is for all other retailers. All three are available on the Division’s website. See the following table for more information:

Sales and use tax – annual reconciliation	
FORM NUMBER	WHO USES THE FORM
Form T-204W-Annual	Writers, composers, artists
Form T-204A-Annual	Alcoholic beverages return for class A package and liquor stores
Form T-204R-Annual	All sales permit holders not mentioned above*
<i>Note: Most retailers use Form T-204R.</i>	

Note: When filing the annual reconciliation, use the current year version of the form – the one for 2022. Do not use a prior-year form. Prior-year forms should only be used if the prior-year filing was delinquent or needs to be amended.

SALES PERMITS

- Sales Tax permits must be renewed each year.
- The 2023 deadline for renewal is February 1, 2023.

- **There is no longer a renewal fee for RI Sales Tax permits.** Payments for renewals will not be accepted.
- Renewed permits take effect July 1, 2023. The Division will mail renewed permits close to that date.
- Renewed permits will cover the period from July 1, 2023 through June 30, 2024.
- To renew online, visit the [Taxpayer Portal](#). Visit the Division's website for a [PDF copy of the paper renewal form](#).

REMINDER

Taxpayers will notice changes to the Sales and Use Tax Return for monthly and quarterly periods beginning in January 2023. The new form RI-STR will better align Rhode Island's form with Sales and Use Tax forms used in neighboring states, providing a more consistent experience for taxpayers. The updated form remains one page and will allow taxpayers to reconcile sales each period, rather than only at the end of the year. This change does not impact the annual reconciliation due on January 31, 2023.

FORMS AND QUESTIONS

Visit the Division's dedicated Forms webpage at: <https://tax.ri.gov/forms>, or use the links in the table provided earlier in the Advisory.

You may also obtain forms in person by visiting the Division at One Capitol Hill in Providence. The office is open to the public from 8:30 a.m. to 3:30 p.m. business days.

For more information about the annual sales and use tax reconciliation return, or about other matters involving sales and use taxes, contact the Division's Excise Tax Section at: Tax.Excise@tax.ri.gov, or by phone at: (401) 574-8955 between 8:30 a.m. and 3:30 p.m. on business days.

The Rhode Island Division of Taxation, part of the Rhode Island Department of Revenue, is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <https://tax.ri.gov/about-us/contact-us>.
