



Rhode Island Department of Revenue

Division of Taxation

ADV 2018-25
SALES TAX AND USE TAX

ADVISORY FOR TAX PROFESSIONALS
JUNE 29, 2018

Tax changes take effect on Sunday, July 1, 2018

New provisions focus on Rhode Island sales and use tax

PROVIDENCE, R.I. – The Rhode Island Division of Taxation reminds tax professionals, tax software providers, businesses, and others about tax changes that will take effect on Sunday, July 1, 2018.¹

Following are highlights.

- **INVESTIGATION, GUARD, ARMORED CAR SERVICES:** Rhode Island's 7 percent sales and use tax must be applied to all investigation, guard, and armored car services on and after July 1, 2018. Providers of such services must register with the Rhode Island Division of Taxation; pay the annual \$10 sales tax permit fee; collect and remit Rhode Island sales/use tax on transactions; remit the sales/use tax to the Division of Taxation on a monthly or quarterly basis (depending on volume); and file an annual reconciliation each January.

All investigation, guard, and armored car services listed under the umbrella of North American Industry Classification System (NAICS) code 56161 are included for purposes of the tax. The list includes, but is not limited to, the services shown in the table below.

Services subject to tax starting July 1, 2018, include the following:	
Armored car services	Background check services
Bodyguard services	Bounty hunting services
Guard dog services	Detective agencies
Guard services	Fingerprint services
Parking security services	Investigation services
Patrol services, security	Private investigators
Personal protection services	Lie detection services
Property protection services	Missing person tracing services
Protection services	Polygraph services
Protective guard services	Private detective services
Security guard services	Private investigation services
Security patrol services	Skip tracing services

¹ The changes are the result of legislation approved by the General Assembly and signed into law by Governor Gina M. Raimondo on June 22, 2018. See House Bill 7200, Substitute A as amended.

Thus, investigation and related services are added to the list of other services that are subject to sales/use tax under Rhode Island General Laws § 44-18-7.3. To view the recently issued Notice on this topic, please use the following link: go.usa.gov/xUxD6.

■ **KEG AND BARREL CONTAINERS:** Effective July 1, 2018, Rhode Island's 7 percent sales and use tax will no longer apply to keg and barrel containers that are sold to alcoholic beverage producers.

Specifically, the new law will exempt keg and barrel containers "whether returnable or not, when sold to alcoholic beverage producers who place the alcoholic beverages in the containers."

Thus, keg and barrel containers as described above are added to the list of gross receipts exempt from sales and use taxes under Rhode Island General Laws § 44-18-30.

FOR MORE INFORMATION

Those with questions about the changes involving sales and use tax may call the Division of Taxation's Excise Tax section at (401) 574-8955, or email: Tax.Excise@tax.ri.gov. The Division is open to the public from 8:30 a.m. to 3:30 p.m. Eastern time business days.

The Rhode Island Division of Taxation office is at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance of the State House, and is open to the public 8:30 a.m. to 3:30 p.m. business days. To learn more, see the agency's website: www.tax.ri.gov.