



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue
DIVISION OF TAXATION
One Capitol Hill
Providence, RI 02908-5800

NOTICE

TO: ALL SALES TAX RETURN FILERS

As a result of Legislation enacted by the 2011 Session of the Rhode Island General Assembly, please be advised that effective **October 1, 2011**, the following items will be subject to Rhode Island's seven percent (7%) sales and use tax:

- Non-prescription drugs, also referred to as over the counter drugs defined as a drug containing a label that identifies the product as a drug and may be purchased without a prescription from a duly licensed practitioner authorized by the State of Rhode Island
- Pre-written computer software including application software delivered electronically, or by "load and leave", and any services pertaining to the sale of the software, such as maintenance agreements
- Applications ("apps") for smart phones and similar devices
- Package tours and scenic and sightseeing transportation such as boat, bus, train and trolley tours where the services are conducted in Rhode Island.

In addition, beginning for the 2011 calendar year, an Annual Reconciliation (enclosed) is now required in lieu of the previous quarterly reconciliation requirement. The Annual Reconciliation is a separate return which covers the period January through December each year and is due by January 31st of the following year.

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

David Sullivan
Tax Administrator

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