



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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

IMPORTANT NOTICE

***TO: OWNERS & OPERATORS OF TAXICAB, LIMOUSINE,
CHARTER BUS, AND OTHER GROUND PASSENGER
TRANSPORTATION SERVICES***

Effective October 1, 2012, Rhode Island's 7 percent (7%) sales and use tax shall extend to taxicab, limousine, charter bus, and other ground passenger transportation services.

The following list shows the name of each such service that shall be subject to the tax, along with its corresponding code from the [North American Industry Classification System \(NAICS\)](#) of 2007:

- Taxicab and limousine services, including but not limited to:
 - ◆ taxicab services including taxi dispatchers (485310);
 - ◆ limousine services (485320);
 - ◆ charter bus services (485510); and
 - ◆ all other transit and ground passenger transportation (485999).

For the period commencing October 1, 2012, sales and use tax at the rate as provided in Rhode Island General Laws (RIGL) §§ 44-18-18 and 44-18-20 is imposed on receipts from the sale of taxicab, limousine, charter bus, and other ground passenger transportation services provided in this state. The tax shall apply to point-to-point ground transportation that does not include scenic or sightseeing tours.

In addition, any person or entity engaged in providing such services shall be considered a retailer (as defined under RIGL § 44-18-15) and, as such, shall be required to register with the Rhode Island Division of Taxation, obtain a sales tax permit, and collect and remit sales and use tax – with the following steps:

- File a [Business Application and Registration form](#) with the Tax Division;
- Pay the annual \$10 sales tax permit fee; and
- File sales and use tax returns with the Tax Division [monthly](#) (or [quarterly](#), if applicable).

The extension of the sales and use tax as described in this notice is the result of legislation approved by the General Assembly and signed into law in June 2012 by Governor Lincoln D. Chafee. Transportation provided by governmental entities, such as RIPTA and the MBTA, is exempt. The Tax Division has proposed regulations to implement the provisions of the new law. The proposed regulations are available on the Tax Division's website: <http://www.tax.ri.gov/regulations/Proposed>

For questions regarding this notice, please contact the Tax Division's Excise Tax section at (401) 574-8955 from 8:30 a.m. to 4:00 p.m. business days.