



Rhode Island Division of Taxation

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State of Rhode Island and Providence Plantations

Department of Revenue

Sales tax advisory

Changes to the Rhode Island sales tax will take effect tomorrow. Starting October 1, 2011, the state's 7 percent sales and use tax will officially apply to all of the following:

- ✓ over-the-counter drugs (also known as non-prescription drugs);
- ✓ computer software downloads – including smartphone apps; and
- ✓ certain package tours and scenic and sightseeing transportation services.

The list above is only a summary. To find out exactly how the law will apply, please read the [regulation on the tax on over-the counter drugs](#), the [regulation on computer software downloads and smartphone apps](#), and the [regulation on certain package tours and scenic and sightseeing transportation](#).

The Tax Division has also posted a [special notice to sales tax return filers](#) about the changes, a [regulation showing the sales tax impact on certain motor vehicle trade-ins](#), and a [summary of legislative changes](#).

Retailers or others who must begin collecting and remitting Rhode Island sales tax because of the changes need to complete and file the [state's business application and registration form](#) to obtain a sales tax permit. Businesses or others with questions about the changes may call the Tax Division's excise tax section at (401) 574-8955.

The Tax Division has held public hearings throughout the state in recent weeks to explain to businesses and other taxpayers how the new provisions will work. The Tax Division has also reached out directly to retailers, tour operators and others.

- David M. Sullivan
Rhode Island Tax Administrator

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