



**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

Department of Revenue  
DIVISION OF TAXATION  
Excise Tax Section  
One Capitol Hill  
Providence, RI 02908-5800  
Fax (401) 574-8914

**IMPORTANT NOTICE**

**TO ALL RHODE ISLAND MOTOR VEHICLE DEALERS AND RETAILERS**  
**OF NOMOTORIZED RECREATIONAL VEHICLES**

The Massachusetts Legislature recently amended the Massachusetts sales and use tax law (see M.G.L. Chapter 64H and 64I) to increase the rate from 5 percent to 6.25 percent. This change is effective at 12:01 am on August 1, 2009.

Per R.I.G.L. 44-18-30(13), Rhode Island dealers of motor vehicles and/or nonmotorized recreational vehicles are required to add and collect sales tax on the sale of a motor vehicle and/or a nonmotorized recreational vehicle to a bona fide nonresident of this state, whose state of residence imposes a sales tax on a motor vehicle or nonmotorized recreational vehicle to its nonresidents.

The dealer is required to collect tax on the sale at a rate equal to the rate that would be imposed in the nonresident's state of residence. However, the rate imposed may not exceed the Rhode Island sales and use tax rate. Taxes collected by the dealer must be remitted to the Rhode Island Division of Taxation on its monthly sales and use tax return.

Attached please find enclosed the updated notice reflecting Sales Tax Rate changes regarding sales of motor vehicles and nonrecreational vehicles sold to non residents. If you have any questions regarding this notice, please contact the Division of Taxation at 401-574-8955.

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