



Rhode Island Department of Revenue

Division of Taxation

October 25, 2016

Notice 2016-05 Sales and Use Tax

Motor Vehicle Use Tax

SECTION 1: PURPOSE

The Rhode Island Division of Taxation hereby provides advance notification of a change in the paperwork requirements when use tax is paid at the Division of Taxation on behalf of a motor vehicle purchaser. (No change applies when use tax is paid at the Rhode Island Division of Motor Vehicles on behalf of a motor vehicle purchaser.)

SECTION 2: DESCRIPTION

Under Rhode Island General Laws § 44-18-20, Rhode Island's 7 percent use tax applies to the storage, use, or other consumption in Rhode Island of a motor vehicle. Thus, for example, the sale of a car or other motor vehicle is subject to Rhode Island's 7 percent use tax. The tax must be paid on behalf of a purchaser by the 20th day of the month following the month of purchase. The tax is typically paid, on behalf of a purchaser, at the Division of Taxation or Division of Motor Vehicles.

Effective on and after November 1, 2016, if use tax is paid at the Division of Taxation on behalf of a purchaser, Form T-205, "Consumer's Use Tax Return," must be filed at the same time. This requirement is to accommodate the Division of Taxation's new high-speed scanning and imaging system; processing will be more efficient as a result. Form T-205 is available at: http://www.tax.ri.gov/forms/2016/Excise/UseTaxReturn_b.pdf

The requirement to file Form T-205 at the Division of Taxation applies not just to the sale of motor vehicles such as automobiles, but also to transactions involving other vehicles such as recreational vehicles and motorcycles. The requirement to file Form T-205 does not apply when use tax is paid at the Division of Motor Vehicles on behalf of a motor vehicle purchaser, and does not apply when use tax is paid by a motor vehicle dealer online on behalf of a motor vehicle purchaser.

Notwithstanding this Notice, the filing requirements and other provisions of Division of Taxation Regulation SU 03-69, "Motor Vehicles - Payment of Tax as Prerequisite to Registration", and Regulation SU 04-131, "Motor Vehicles and Nonmotorized Recreational Vehicles Sold to Nonresidents", remain in full force and effect. Also, the Division continues to require the filing of other use tax forms involving the purchase of motor vehicles, such as Form T-336 and T-334.

SECTION 3: CITATION

Rhode Island General Laws §§ 44-18-20 and 44-1-1 *et seq.*

SECTION 4: CONTACT PERSON

For questions about this notice, contact the Rhode Island Division of Taxation's Excise Tax section by telephone at (401) 574-8955, by email: Tax.Excise@tax.ri.gov, or by mail: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908.