

State of Rhode Island and Providence Plantations

Rhode Island Department of Revenue
Division of Taxation

Public Notice of Proposed Rule-Making

Pursuant to the provisions of RIGL §42-35-3(a)(1) and in accordance with the Administrative Procedures Act (Chapter 42-35 of the General Laws), the Division of Taxation hereby gives notice of its intent to repeal regulation SU 87-103 Camp Cottage – Rentals by Real Estate Agents.

The purpose of this rule making process is to repeal SU 87-103 in light of Regulation 02-97 Room Rentals – By Hotels, Rooming Houses, Tourist Camps. This repeal shall take effect January 1, 2011.

The proposed rule to be repealed and concise summary of non-technical requirements and proposed new rules are available for public inspection at www.tax.ri.gov, in person at The Rhode Island Division of Taxation, or requested by e-mail at mcanole@tax.ri.gov or by calling Michael Canole at (401) 574-8729.

In the development of the proposed regulation, consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

All interested parties are invited to submit written or oral comments concerning the proposed regulations by Wednesday, November 24, 2010 to Michael Canole, Rhode Island Division of Taxation, One Capitol Hill, Providence, RI – telephone number (401) 574-8729 or via, e-mail at mcanole@tax.ri.gov. A public hearing to consider the proposed regulation will be held on Wednesday, November 24, 2010 at the Rhode Island Division of Taxation, One Capitol Hill, Providence, RI, at which time and place all persons interested therein will be heard. The room is accessible to the disabled and interpreter services for the hearing impaired will be provided if requested 48 hours prior to the hearing. Requests for this service can be made in writing to Michael Canole at Rhode Island Division of Taxation, One Capitol Hill, Providence, RI 02908 or by calling 401 574-8729.

Rhode Island Department of Revenue

Division of Taxation

Concise Summary of ALL Non-technical requirements pursuant to RIGL Section 42-35-3(a)(1)

Rules and Regulation on Camp Cottages – Rentals by Real Estate Agents

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~~State of Rhode Island - Division of Taxation~~

~~Sales and Use Tax~~

~~Regulation SU 87-103~~

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~~Camp Cottages -- Rentals by Real Estate Agents~~

~~In General—Where the owners of camp cottages or cabins (regardless of whether such persons own one or more than one camp cottage or cabin) place such property in the hands of a real estate agent for rental purposes, the real estate agent, being "engaged in the business" of renting living quarters, is liable for the tax on rents he or she collects from such letting.~~

~~This is so even though a person who owns only one camp cottage or cabin and rents it out, would not be required to charge and remit the tax.~~

~~(The rental or lease of residential type dwellings is covered by SU 87-97. See heading "Rentals Excluded—Permanent type Dwellings.")~~

~~Registration—Such real estate agent should file an application for a permit, which permit will be issued in the name of such agent and contain the agent's office address. For example,~~

~~John Doe, Agent
100 Jones Street
Westerly, Rhode Island~~

~~Inasmuch as such agent must register as indicated and is the person responsible for collecting and remitting the tax, each individual cottage owner who does business exclusively through such agent is not required to register and obtain a permit.~~

~~Therefore, such agent requires only one permit and such permit will suffice to cover all properties from which taxable rentals are collected.~~

~~Reports—Each such agent must file a return on or before the 20th day of each month, on forms furnished by the Division of Taxation, showing all rentals for the previous calendar month, and at the same time must remit the tax which is due thereon.~~

~~The tax applies only to the first period of not exceeding 30 consecutive calendar days of each rental period. For example, a person who rents a cottage for two months will not be required to pay the tax on the rental charged for that portion of continuous occupancy beginning the 31st day of tenancy.~~

~~Separate returns for each camp cottage or cabin thus handled by a real estate agent are not required. Rather, such agent may file one monthly return in which he or she may account~~

~~for all rental receipts derived during the preceding month from all such cottages and cabins, and at the same time should remit the total tax due thereon in one lump sum.~~

~~However, such agent must keep suitable records relating to each such cottage showing:~~

- ~~(a) the name and address of the owner~~
- ~~(b) the names of the persons to whom rented~~
- ~~(c) the beginning and ending dates of their respective occupancies~~
- ~~(d) the number and length of each rental period during each such occupancy~~
- ~~(e) the rentals received from each such period, and~~
- ~~(f) the amount of tax payable thereon.~~

~~Where the letting is for a lump sum covering a period of more than 30 days, the tax will be based on that proportion of such total amount of rental thus payable as 30 days bears to the total number of days in the entire rental period.~~

~~CROSS REFERENCE: Section 44-18-36.1 R.I.G.L. as amended re: "Hotel Tax"~~

~~R. GARY CLARK
TAX ADMINISTRATOR~~

~~DATE: May 1, 1987~~