

## **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 87-110 Trading Stamps.

The purpose of this rule making process is to repeal SU 87-110, which has no applicability or relevance in Rhode Island Law. 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The proposed rule to be repealed and concise summary of non-technical requirements and proposed new rules are available for public inspection at [www.tax.ri.gov](http://www.tax.ri.gov), in person at The Rhode Island Division of Taxation, or requested by e-mail at [mcanole@tax.ri.gov](mailto: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](mailto: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**Rules and Regulation on Trading Stamps - Repealed**

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

## ~~Sales and Use Tax~~

### ~~Regulation SU-87-110~~

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## ~~Trading Stamps~~

~~(a) Redemption of—Where trading stamps are given by merchants to their customers in connection with the sale of merchandise, the number of such stamps being determined according to the price charged for the merchandise so sold, and such stamps are later redeemed by such customers for other merchandise, the sales tax applies to the redemption and the amount thereof is computed on the basis of the dollar value of the stamps which has been established for such redemption purposes.~~

~~(b) Sale of—The sale of such stamps by trading stamp companies or other similar promoters to merchants is regarded as the sale of intangible personal property and the sales tax does not apply to those sales.~~

~~(c) Cost of—The cost of the trading stamp itself to the trading stamp company or other such promoter, as well as the cost of other materials such as booklets, catalogues, etc., purchased by the trading stamp company, promoter or merchant in connection with a redemption plan is subject to the sales or use tax when brought in Rhode Island or outside this state for use herein.~~

~~The term "trading stamp" wherever used in this ruling shall also mean and include coupons and other similar devices.~~

~~R. GARY CLARK  
TAX ADMINISTRATOR~~

~~DATE: May 1, 1987~~