

**State of Rhode Island - Division of Taxation
Sales and Use Tax**

Regulation SU 11-114

Use Tax – Payment by Purchasers

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RULE 1. PURPOSE

This regulation implements Chapters 44-18 and 44-19 of the Rhode Island General Laws. These Chapters provide for Sales and Use Taxes Liability and Computation and Sales and Use Taxes Enforcement and Collection in regard to use tax – payment by purchasers.

RULE 2. AUTHORITY

This regulation is promulgated pursuant to RIGL Chapters 44-18 and 44-19 as amended. These rules have been prepared in accordance with the requirements of RIGL 44-1-1 et. seq. and 44-19-33.

RULE 3. APPLICATION

The terms and provisions of these rules and regulations shall be liberally construed to permit the Department of Revenue to effectuate the purposes of RIGL Chapters 44-18 and 44-19 and other applicable state laws and regulations.

RULE 4. SEVERABILITY

If any provision of these rules and regulations, or the application thereof to any person or circumstances, is held invalid by a court of competent jurisdiction, the validity of the remainder of the rules and regulations shall not be affected thereby.

RULE 5. DEFINITIONS

“Use Tax” means - (a) An excise tax imposed on the storage, use, or other consumption in this state of tangible personal property, including a motor vehicle, or a trailer, purchased from any retailer, or prewritten computer software delivered electronically or by load and leave, and/or package tour and scenic and sightseeing transportation services at the rate of tax as provided in RIGL 44-18-20.

(b) An excise tax is imposed on the storage, use, or other consumption in this state of a motor vehicle, or a trailer purchased from other than a licensed motor vehicle dealer or other than a retailer of or trailers respectively, at the rate tax as provided in RIGL 44-18-20.

(c) "Trailer" as used in this section and in section 44-18-21 means and includes those defined in RIGL 31-1-5 and also includes boat trailers, camping trailers, house trailers, and mobile homes.

RULE 6. USE TAX – PAYMENT BY PURCHASERS

(a) Business Purchases: (1) Payment of tax is made directly to the person from whom such property or taxable service is purchased if such person holds a seller’s permit, or a certificate of authority to collect tax, under the Sales and Use Tax Act; or (2) directly to the Tax Administrator on a Consumer Use Tax Return (Form T-205) if the person from whom the tangible personal property, or prewritten computer software delivered electronically or by load and leave, and/or package tour and scenic and sightseeing transportation services is purchased does not hold a permit to make sales at retail.

(b) Individual Consumer Purchases: when filing their personal income tax return by entering the amount of use tax due on the appropriate line on Form RI-1040 or Form RI-1040NR

(c) Purchasers should not pay the tax to a person who does not hold a seller's permit or a certificate of authority to collect tax. Purchasers will be liable for payment of the tax to the Tax Administrator unless receipts are obtained from sellers holding a retailer's permit or a certificate of authority to collect tax.

RULE 7. EFFECTIVE DATE This regulation shall take effect December 1, 2011 and shall amend and supercede regulation SU 95-114 promulgated January 1, 1995.

RULE 8. CROSS REFERENCE

CROSS REFERENCE: SU 07-17 "Casual Sales"

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TAX ADMINISTRATOR