



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue
DIVISION OF TAXATION
One Capitol Hill
Providence, RI 02908-5800

Fax (401) 574-8917

July 28, 2008

Mr. Scott Peterson
Executive Director
Streamlined Sales Tax Governing Board, Inc.
4205 Hillsboro Pike, Suite 305
Nashville, TN 37215

RE: Rhode Island Recertification

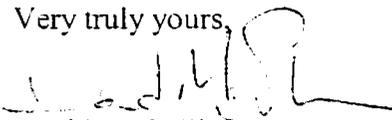
Dear Mr. Peterson:

Pursuant of Section 803 of the Streamlined Sales and Use Tax Agreement (Agreement), please accept this letter as the required annual recertification that the State of Rhode Island remains in compliance with the Agreement.

Rhode Island has not made any changes to its regulations, bulletins, or directives that would affect Rhode Island's compliance with the Agreement. The Rhode Island Certificate of Compliance and Taxability Matrix have been updated to meet the requirements of the revised forms dated January 2008 and May 7, 2008 respectively.

Rhode Island's sales and use tax statutes continue to remain in compliance with the Agreement. The revised Certificate of Compliance and Taxability Matrix are attached. These documents will be posted to our website, <http://www.tax.ri.gov>.

Very truly yours,


David M. Sullivan
Tax Administrator

CERTIFICATE OF COMPLIANCE -- STATE OF Rhode Island

Revised January 2008*

SECTION	TOPIC DOCUMENT COMMENTS/ REFERENCE TO CRIC INTERPRETATIONS	DESCRIPTION	Is this requirement met by law, regulation or administrative practice (Yes or No). Enter N/A when not applicable.	If so, provide the citation for legal authority (statute, case, regulation, etc.)	For SST conforming changes, provide effective dates.	Notes (e.g., administrative practices, noncompliance explanations, etc.)
Section 301	State level administration					
		Does the state provide state level administration of state and local sales and use taxes?	Yes	44-18.1-2	1/1/2007	
		Are sellers only required to register with, file returns and remit funds to a state-level authority?	Yes	44-18.1-2	1/1/2007	
		Does the state provide for the collection of any local taxes and distribute them to the appropriate taxing jurisdictions?	N/A			No Local Sales/Use Tax (44-18.1-2)
		Are audits conducted only by the state or by others authorized by the state to conduct an audit that includes both state and local taxes?	Yes	44-18.1-2	1/1/2007	
		Are local jurisdictions prohibited from conducting independent sales or use tax audits of sellers registered under the Agreement?	N/A			No Local Sales/Use Tax (44-18.1-2)
Section 302	State and local tax base					
		Is the tax base for local jurisdictions identical to the state tax base, excluding federal prohibitions, motor vehicles, aircraft, watercraft, modular homes, manufactured homes and mobile homes?	N/A			No Local Sales/Use Tax (44-18.1-3)
Section 303	Seller registration					
		Is the state capable of pulling registration information from the central registration system?	Yes	44-18.1-4	1/1/2007	
		Does the state exempt a seller without a legal obligation to register from paying registration fees?	Yes	44-18.1-4	1/1/2007	
		Does the state allow a seller to register on the central registration system without a signature?	Yes	44-18.1-4	1/1/2007	
		Does the state allow an agent to register a seller on the central registration system?	Yes	44-18.1-4	1/1/2007	
Section 304	Notice for state tax changes					
	Failure to meet these does not take a state out of compliance.	A1. Does the state provide sellers with as much advance notice as practicable of a rate change?	Yes	44-18.1-5	1/1/2007	

		A2. Does the state limit the effective date of a rate change to the first day of a calendar quarter?	Yes	44-18.1-5	1/1/2007	
		A3. Does the state notify sellers of legislative changes in the tax base and amendments to sales and use tax rules and regulations?	Yes	44-18.1-5	1/1/2007	
		B. Does the state limit the relief of the sellers obligation to collect sales or use taxes for that member state if the seller failed to receive notice or the state failed to provide notice or limit the effective date of a rate change.	No	44-18.1-5	1/1/2007	
Section 305	Local rate and boundary change					
		Does the state have local jurisdictions that levy a sales or use tax? If yes, answer the following questions.				
		A. Does the state limit the effective date of local rate changes to the first day of a calendar quarter after a minimum of 60 days notice?	N/A			No Local Sales/Use Tax
		B. Does the state limit the effective date of local rate changes from catalog sales wherein the purchaser computed the tax based on local tax rates published in the catalog only on the first day of a calendar quarter after a minimum of 120 days notice?	N/A			No Local Sales/Use Tax
		C. Does the state limit local boundary changes for the purposes of sales and use taxes to the first day of calendar quarter after a minimum of 60 days notice?	N/A			No Local Sales/Use Tax
		D. Does the state provide and maintain a database with boundary changes?	N/A			No Local Sales/Use Tax
		E. Does the state provide and maintain a database identifying all jurisdictional rate information using the FIPS codes?	N/A			No Local Sales/Use Tax
		F1. Does the state provide and maintain a database that assigns each five digit and nine digit zip code within the member state to the proper tax rate and jurisdiction?	N/A			No Local Sales/Use Tax
		F2. Does the state apply the lowest combined tax rate imposed in a zip code if the area in that zip code includes more than one tax rate?	N/A			No Local Sales/Use Tax
		G. Does the state provide address-based boundary database records for assigning taxing jurisdictions and their associated rates? If yes, answer the following questions.	N/A			No Local Sales/Use Tax
		1. Are the records in the same format as database records in F?	N/A			No Local Sales/Use Tax
		2. Do the records meet the requirements of the Federal Mobile Telecommunications Sourcing Act?	N/A			No Local Sales/Use Tax

		H. If the state has met the requirements of subsection (F) and elected to certify vendor provided address-based databases for assigning tax rates and jurisdiction:	N/A			No Local Sales/Use Tax
		1. Are those databases in the same format as the database records approved pursuant to (G) of this section?	N/A			No Local Sales/Use Tax
		2. Do those databases meet the requirements of the Federal Mobil Telecommunications Sourcing Act (4 U.S.C.A. Sec. 119 (a))?	N/A			No Local Sales/Use Tax
Section 306	Relief from certain liability					
		Does the state relieve sellers and CSPs from liability to the state and its local jurisdictions for collecting the incorrect amount of tax because of reliance on state provided data on rates, boundaries, and jurisdiction assignments?	Yes	44-18.1-7	1/1/2007	
Section 307	Database requirements and exceptions					
		A. Does the state provide a database per Section 305, in downloadable format?	Yes	44-18.1-8	1/1/2007	
		If the state designates a vendor to provide the Section 305 database does the vendor's database meet the requirements of Sections 305, 306 and 307 and is provided at no cost to the user of the database?	Yes	44-18.1-9	1/1/2007	
Section 308	State and local tax rates					
		A1. Does the state have more than one state sales and use tax rate on items of personal property or services?	No			
		A2. Does the state have a single additional tax rate on food and food ingredients and drugs as defined by state law pursuant to the Agreement?	No			
		B1. If the state has local jurisdictions with a sales or use tax, does any local jurisdiction have more than one sales tax rate or one use tax rate?	N/A			No Local Sales/Use Tax
		B2. If the state has local jurisdictions with a sales and use tax are the local sales and use tax rates identical?	N/A			No Local Sales/Use Tax

Section 310	General sourcing rules					
		A. Does the state source a retail sale, excluding lease or rental, of a product as follows:				
	CRIC INTERPRETATION ADOPTED SEPTEMBER 20, 2007	1. If received at business location of seller, then sourced to that location?	Yes	44-18.1-11(A)(1)	1/1/2007	
		2. If not received at business location of seller, then sourced to location of receipt?	Yes	44-18.1-11(A)(2)	1/1/2007	
		3. If subsections 1 & 2 do not apply, then sourced to address of purchaser in business records of seller that are maintained in ordinary course of seller's business?	Yes	44-18.1-11(A)(3)	1/1/2007	
		4. If subsections 1, 2 & 3 do not apply, then sourced to address of purchaser obtained during consummation of sale, including address of purchaser's payment instrument, if no other address is available?	Yes	44-18.1-11(A)(4)	1/1/2007	
		5. If subsections 1, 2, 3 & 4 do not apply, including the circumstance in which the seller is without sufficient information to apply the previous rules, then sourced to location from which tangible personal property was shipped, from which digital good or computer software delivered electronically was first available for transmission by seller, or from which service was provided.	Yes	44-18.1-11(A)(5)	1/1/2007	
		B. Does the state source a lease or rental of tangible personal property as follows:				
		1. If recurring periodic payments, the first periodic payment is sourced the same as a retail sale. Subsequent payments are sourced to the primary property location for each period covered by the payment?	Yes	44-18.1-11(B)(1)	1/1/2007	
		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	Yes	44-18.1-11(B)(2)	1/1/2007	
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006	C. Does the state source a lease or rental of motor vehicles, trailers, semi-trailers, or aircraft that do not qualify as transportation equipment as follows:				
		1. If recurring periodic payments, then sourced to primary property location?	Yes	44-18.1-11(C)(2)	1/1/2007	
		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	Yes	44-18.1-11(C)(1)	1/1/2007	
		D. Does the state source the retail sale, including lease or rental, of transportation equipment in accordance with rules for retail sale?	Yes	44-18.1-11(D)	1/1/2007	
		1. Does the state define transportation equipment pursuant to in Section 310, subsection D?	Yes	44-18.1-11(D)	1/1/2007	

Section 310.1	Election for Origin-Based sourcing	Effective January 1, 2010				
		Has the state elected to source the retail sale of tangible personal property and digital goods on where the order is received?	No			
		Does the state comply with all the provisions of 310.1 B and C?	N/A			
Section 311	General sourcing definitions					
		For the purposes of Section 310, subsection (A), does the state define the terms "receive" and "receipt" to mean: taking possession of tangible personal property, making first use of services, or taking possession or making first use of digital goods, whichever comes first? Note: The terms "receive" and "receipt" do not include possession by a shipping company on behalf of the purchaser.	Yes	44-18.1-12	1/1/2007	
Section 313	Direct mail sourcing					
		A 1. Does the state relieve the seller of the obligation to collect, pay or remit tax upon receipt of the direct mail form?	Yes	44-18.1-14(A)(2)	1/1/2007	
		2. Does the state provide that upon receipt of delivery information, the seller shall collect tax according to purchaser's submitted information and in the absence of bad faith, seller is relieved of further liability?	Yes	44-18.1-14(A)(1)	1/1/2007	
		B. Does the state require the seller to collect tax pursuant to Section 310 (A)(5) if the purchaser does not have direct pay permit and does not provide Direct Mail Form or delivery information?	Yes	44-18.1-14(B)	1/1/2007	
		C. Does the state provide that if a purchaser provides documentation of direct pay authority, the purchaser is not required to provide a Direct Mail Form or delivery information to the seller?	Yes	44-18.1-14(C)	1/1/2007	
Section 314	Telecom sourcing rule					
		A. Except as required in subsection C below, does the state source telecommunication services sold on a call-by-call basis to each level of taxing jurisdiction where the call originates and terminates in that jurisdiction or each level of taxing jurisdiction where the call either originates or terminates and in which service address is located?	Yes	44-18.1-15(A)	1/1/2007	
		B. Except as required in subsection C below, does the state source telecommunication service to the customer's place of primary use if sold on a basis other than call-by-call basis?	Yes	44-18.1-15(B)	1/1/2007	

		C1. Does the state source the sale of mobile telecommunication service, other than air-to-ground radiotelephone service and prepaid calling service, to customer's place of primary use as required under Mobile Telecommunications Sourcing Act?	Yes	44-18.1-15(C)(1)	1/1/2007	
		C2. Does the state source the sale of post-paid calling service to the origination point of the telecommunication signal as first identified by either the seller's telecommunication system or information received by the seller from its service provider, where system used to transport signals is not that of the seller?	Yes	44-18.1-15(C)(2)	1/1/2007	
		C3. Does the state source the sale of prepaid wireless calling service in accordance with Section 310 of the Agreement, including the option of the location associated with the mobile telephone number for prepaid wireless calling service?	Yes	44-18.1-15(C)(3)	1/1/2007	
		C4a. For the sale of private communication service, does the state source a separate charge related to a customer channel termination point to each level of jurisdiction in which such customer channel termination point is located?	Yes	44-18.1-15(C)(4)(a)	1/1/2007	
		C4b. For the sale of private communication service, does the state source to the jurisdiction in which the customer channel termination points are located when all customer termination points are located entirely within one jurisdiction or levels of jurisdictions?	Yes	44-18.1-15(C)(4)(b)	1/1/2007	
		C4c. For the sale of private communication service, does the state source fifty percent in each level of jurisdiction in which the customer channel termination points are located when service for segments of a channel between two customer channel termination points located in different jurisdictions and which segment of channel are separately charged ?	Yes	44-18.1-15(C)(4)(c)	1/1/2007	
		C4d. For the sale of private communication service, does the state source to each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points when service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed?	Yes	44-18.1-15(C)(4)(d)	1/1/2007	
		D. Does the state source the sale of Internet access service to the customer's place of primary use?	Yes	44-18.1-15(B)	1/1/2007	

		E. Does the state source the sale of an ancillary service to the customer's place of primary use?	Yes	44-18.1-15(B)	1/1/2007	
Section 315	Telecom sourcing definitions					
		Does the state define the following terms in sourcing telecommunications:				
		A. Air-to-ground radiotelephone service?	Yes	44-18.1-16(A)	1/1/2007	
		B. Ancillary services?	Yes	44-18-7.1(y)(i)(A)	1/1/2007	
		C. Call-by-call basis?	Yes	44-18.1-16(B)	1/1/2007	
		D. Communications channel?	Yes	44-18.1-16(C)	1/1/2007	
		E. Customer?	Yes	44-18.1-16(D)	1/1/2007	
		F. Customer channel termination point?	Yes	44-18.1-16(E)	1/1/2007	
		G. End user?	Yes	44-18.1-16(F)	1/1/2007	
		H. Home service provider?	Yes	44-18.1-16(G)	1/1/2007	
		I. Mobile telecommunications service?	Yes	44-18.1-16(H)	1/1/2007	
		J. Place of primary use?	Yes	44-18.1-16(I)	1/1/2007	
		K. Post-paid calling service?	Yes	44-18.1-16(J)	1/1/2007	
		L. Prepaid calling service?	Yes	44-18-7.1(y)(i)(M)	1/1/2007	
		M. Prepaid wireless calling service?	Yes	44-18-7.1(y)(i)(N)	1/1/2007	
		N. Private communication service?	Yes	44-18-7.1(y)(i)(O)	1/1/2007	
		O. Service address?	Yes	44-18.1-16(K)	1/1/2007	
Section 316	Enactment of Exemptions					
		Product-based exemptions. If the state exempts a product that is defined in Part II of the Library of Definitions does the state do so consistent with Part II and Section 327?	Yes	44-18.1-17	1/1/2007	
		Product-based exemptions. Can the state confirm that where the Agreement has a definition for a product that the state exempts, the state does not exempt specific items included within that product definition unless the definition sets out an exclusion for such item.	Yes	44-18.1-17	1/1/2007	
		Entity and Use-based exemptions. If the state has enacted an entity or use-based exemption for a product that is defined in Part II of the Library of Definitions does the state do so consistent with Part II and Section 327?	Yes	44-18.1-17	1/1/2007	
		Use-based exemptions. Can the state confirm that any use-based exemption for an item does not constitute a product-based exemption for a product defined in the Agreement that includes such item?	Yes	44-18.1-17	1/1/2007	
Section 317	Administration of exemptions					
		A. Does the state provide for the following in regard to purchasers claiming exemption:				
		1. Seller shall obtain identifying information from purchaser and reason for claiming exemption?	Yes	44-18.1(A)(1)	1/1/2007	
		2. Purchaser is not required to provide signature, unless paper exemption certificate?	Yes	44-18.1(A)(2)	1/1/2007	

		3. Seller shall use standard form for claiming exemption electronically?	Yes	44-18.1(A)(3)	1/1/2007	
		4. Seller shall obtain same information for proof regardless of medium?	Yes	44-18.1(A)(4)	1/1/2007	
		5. Does the state issue identification numbers to exempt purchasers that must be presented to sellers?	Yes	44-18.1(A)(5)	1/1/2007	
		6. Seller shall maintain records of exempt transaction and provide to state when requested?	Yes	44-18.1(A)(6)	1/1/2007	
	The Governing Board has not defined "does not burden sellers". The burden is on each state to prove that something other than a direct-pay permit or exemption certificate meets this provision.	7. Does the state administer use-based and entity-based exemptions when practicable through a direct pay permit, an exemption certificate, or another means that does not burden sellers.	Yes	44-18.1(A)(7)	1/1/2007	
		8. In the case of drop shipment sales, does the state allow a third party vendor to claim a resale exemption based on an exemption certificate provided by its customer/re-seller or any other acceptable information available to the third party vendor evidencing qualification for a resale exemption, regardless of whether the customer/re-seller is registered to collect and remit sales and use tax in the state where the sale is sourced?	Yes	44-18.1(A)(8)	1/1/2008	
		B. Does the state relieve the seller from any tax if it is determined that the purchaser improperly claimed an exemption and hold the purchaser liable for the tax, assuming the exceptions in the section?	Yes	44-18.1(B)	1/1/2007	
		C. Does the state relieve a seller of the tax otherwise applicable if the seller obtains a fully completed exemption certificate or captures the relevant data elements required under the Agreement within 90 days subsequent to the date of sale?	Yes	44-18.1(C)	1/1/2007	
	The answer to this question does not impact certification, but it would provide information to taxpayers.	2. Does the state require purchasers to update exemption certificate information or to reapply with the state to claim certain exemption?	Yes	44-18.1(C)(2)	1/1/2007	
		3. Does the state relieve a seller of tax if the seller obtains a blanket exemption certificate for a purchaser with which the seller has a recurring business relationship?	Yes	44-18.1(C)(3)	1/1/2007	
Section 318	Uniform tax returns					
		A. Does the state require the filing of only one tax return for each taxing period for each seller for the state and all local jurisdictions?	Yes	44-18.1-19(A)	1/1/2007	

		B. Does the state require that returns be filed <u>no</u> sooner than the twentieth day of the month following the month in which the transaction occurred?	Yes	44-18.1-19(B)	1/1/2007	
		C. Does the state allow a Model 1, Model 2, or Model 3 seller to submit its sales and use tax returns in a simplified format that does not include more data fields than permitted by the governing board?	Yes	44-18.1-19(C)	1/1/2007	
		D. Does the state allow any seller that is registered under the Agreement, which does not have a legal requirement to register in the member state, and is not a Model 1, 2, or 3 seller, to file a return no more often than once a year unless the seller has accumulated more than \$1,000 in state and local taxes?	Yes	44-18.1-19(D)	1/1/2007	
		1. Does the state provide to the seller the returns required by that state?	Yes	44-18.1-19(D)(1)	1/1/2007	
		E. Would the state make available to all sellers a uniform sales and use tax return developed with other states?	Yes	44-18.1-19(E)	1/1/2007	
Section 319	Uniform rules for remittance of funds					
		A1. Does the state require more than one remittance for each return?	No	44-18.1-20(A)	1/1/2007	
		A2. If the state requires more than one remittance for each return does it do so only if: (1) seller collects more than \$30,000 in sales and use taxes in state during preceding year, (2) any additional remittance to be determined through a calculation method, and (3) the seller is not required to file additional return?	Yes	44-18.1-20(A)	1/1/2007	
		C. Does the state allow payment to be made by both ACH Credit & ACH Debit?	Yes	44-18.1-20(C)	1/1/2007	
		D. Does the state provide an alternative method for "same day" payment if electronic fund transfer fails (electronic check or Fed Wire)?	Yes	44-18.1-20(D)	1/1/2007	
		E. Does the state provide that if a due date falls on a legal banking holiday in the state, the taxes are due on the next business day?	Yes	44-18.1-20(E)	1/1/2007	
		F. Does the state require that any data that accompanies a remittance to be formatted using uniform tax type and payment type codes?	Yes	44-18.1-20(F)	1/1/2007	
Section 320	Uniform rules for recovery of bad debts					
		A. Does the state allow a seller to take a deduction from taxable sales for bad debts?	Yes	44-18.1-21(A)	1/1/2007	

		B. Does the state use the definition of bad debt found in 26 U.S.C. Sec. 166 as basis for calculating a bad debt recovery, excluding: financing charges or interest; sales or use taxes charged on purchase price; uncollectible amounts on property that remains in possession of seller until full price paid; expenses incurred in attempt to collect debt, and repossessed property?	Yes	44-18.1-21(B)	1/1/2007	
		C1. Does the state allow bad debts to be deducted on the return for the period during which the bad debt is written off as uncollectible on and is eligible be deducted for federal income tax purposes?	Yes	44-18.1-21(C)	1/1/2007	
		C2. If the seller is not required to file a federal income tax return does the state allow bad debts to be deducted on the return for the period during which the bad debt is written off as uncollectible on and would be eligible be deducted for federal income tax purposes if the seller was required to file a federal return?	Yes	44-18.1-21(C)	1/1/2007	
		D. Does the state require that, if a deduction is taken for a bad debt and the debt is subsequently collected in whole or in part, the tax on the amount so collected must be paid and reported on the return files for the period in which the collection is made?	Yes	44-18.1-21(D)	1/1/2007	
		E. Does the state provide that, when the amount of a bad debt exceeds taxable sales for period when written off, a refund claim may be filed within the applicable statute of limitations (measured from due date of return on which bad debt could first be claimed)?	Yes	44-18.1-21(E)	1/1/2007	
		F. Does the state provide that if filing responsibilities are assumed by a CSP, the state allows the CSP to claim, on behalf of the seller, any bad debt allowance?	Yes	44-18.1-21(F)	1/1/2007	
		G. Does the state provide that, for purposes of reporting payment on previously claimed bad debt, any payments made are applied first proportionately to taxable price of property or service and sales tax thereon, and secondly to interest, service charges, and any other charges?	Yes	44-18.1-21(G)	1/1/2007	
		H. Does the state permit allocation of a bad debt among states if the books and records of a the party support allocation among states?	Yes	44-18.1-21(H)	1/1/2007	
Section 321	Confidentiality and privacy protections under Model 1					

		E. Does the state provide public notification to consumers, including exempt purchasers, of state's practices relating to collection, use and retention of personally identifiable information?	Yes	44-18.1-22(E)	1/1/2007	
		F. Does the state provide that when any personally identifiable information is no longer required for purposes in Section 321 subsection (D)(4), such information shall no longer be retained by state?	Yes	44-18.1-22(F)	1/1/2007	
		G. Does the state provide that when personally identifiable information regarding an individual is retained by or on behalf of state, the state shall provide reasonable access to information by such individual and a right to correct inaccurate information?	Yes	44-18.1-22(G)	1/1/2007	
		H. Does the state provide that if anyone other than a member state or person authorized by state law or the Agreement seeks to discover personally identifiable information, state makes reasonable and timely effort to notify the individual of the request?	Yes	44-18.1-22(H)	1/1/2007	
		I. Is the state's privacy policy subject to enforcement by state's AG or other appropriate government authority?	Yes	44-18.1-22(I)	1/1/2007	
Section 322	Sales tax holidays					
		A. Does the state have sales tax holidays?	No			
		1. If a state has a holiday, does the state limit the holiday exemption to items that are specifically defined in the Agreement and apply the exemptions uniformly to state and local sales and use taxes?	Yes	44-18.1-23(A)(1)	1/1/2007	
		2. If a state has a holiday, does the state provide notice of the holiday at least 60 days prior to first day of calendar quarter in which the holiday will begin?	Yes	44-18.1-23(A)(2)	1/1/2007	
		B1. If a state's holiday includes a price threshold, does the state provide that the threshold includes only items priced below threshold?	Yes	44-18.1-23(B)	1/1/2007	
		B2. If a state's holiday includes a price threshold, does the state exempt only a portion of the price of an individual item during holiday?	Yes	44-18.1-23(B)	1/1/2007	
		C. Does the state meet each of the procedural requirements for holidays?	Yes	44-18.1-23(C)	1/1/2007	
		1. Layaway sales?	Yes	44-18.1-23(C)(1)	1/1/2007	
		2. Bundled sales?	Yes	44-18.1-23(C)(2)	1/1/2007	
		3. Coupons and discounts?	Yes	44-18.1-23(C)(3)	1/1/2007	
		4. Splitting of items normally sold together?	Yes	44-18.1-23(C)(4)	1/1/2007	
		5. Rain checks?	Yes	44-18.1-23(C)(5)	1/1/2007	
		6. Exchanges?	Yes	44-18.1-23(C)(6)	1/1/2007	
		7. Delivery charges?	Yes	44-18.1-23(C)(7)	1/1/2007	
		8. Order date and back orders?	Yes	44-18.1-23(C)(8)	1/1/2007	

		9. Returns?	Yes	44-18.1-23(C)(9)	1/1/2007	
		10. Different time zones?	Yes	44-18.1-23(C)(10)	1/1/2007	
Section 323	Caps and thresholds					
		1. Does the state have any caps or thresholds on the application of rates or exemptions based on the value of a transaction or item?	No	44-18.1-24(A)(1)	1/1/2007	
		2. Does the state have any caps that are based on application of rates unless the application of rates are administered in a manner that places no additional burden on retailer?	No	44-18.1-24(A)(2)	1/1/2007	
		B. Do local jurisdictions within the state that levy sales or use tax have caps or thresholds on application of rates or exemptions that are based on value of transaction or item?	N/A			No Local Sales/Use Tax
Section 324	Rounding rule					
		1. Does the state provide that the tax computation must be carried to the third decimal place?	Yes	44-18.1-25(A)(1)	1/1/2007	
		2. Does the state provide that the tax must be rounded to a whole cent using a method that rounds up to next cent whenever third decimal place is greater than four after?	Yes	44-18.1-25(A)(2)	1/1/2007	
		B.1. Does the state allow sellers to elect to compute tax due on a transaction, on a item or invoice basis, and shall allow rounding rule to be applied to aggregated state and local taxes?	Yes	44-18.1-25(B)	1/1/2007	
		B.2. Can the state confirm that it has repealed any requirements for sellers to collect tax on bracket system?	Yes	44-18.1-25(B)	1/1/2007	
Section 325	Customer refund procedures					
		C. Does the state provide that a cause of action against seller does not accrue until the purchaser has provided written notice to the seller and the seller has had 60 days to respond? Notice must contain information necessary to determine validity of request.	Yes	44-18.1-26(C)	1/1/2007	
		D. Does the state provide for uniform language in regard to presumption of a reasonable business practice when a seller: I) uses either a provider or a system, including a proprietary system, that is certified by the state; and ii) has remitted to state all taxes collected, less deductions, credits or collection allowances?	Yes	44-18.1-26(D)	1/1/2007	
Section 326	Direct pay permits					
		Does the state provide for a direct pay authority that allows the holder of a direct pay permit to purchase otherwise taxable goods and services without payment of tax to the supplier at the time of purchase?	Yes	44-18-19.1 44-18.1-27	1/1/2007	
Section 327	Library of definitions					

		A. If term defined in Library appears in state's statutes, rules or regulations, has the state adopted the definition in substantially the same language as the Library definition?	Yes	44-18.1-28(A)	1/1/2007	
		B. Can the state confirm that it does not use a Library definition that is contrary to meaning of Library definition?	Yes	44-18.1-28(B)	1/1/2007	
	CRIC INTERPRETATION ADOPTED AUGUST 29, 2006	C. Except as provided in Section 316 and Library, can the state confirm that it imposes tax on all products and services included within each definition or exempt from tax all products or services within each definition?	Yes	44-18.1-28(C)	1/1/2007	
Section 328	Taxability matrix					
		A1. Has the state completed the taxability matrix in the downloadable format approved by Governing Board?	Yes	44-18.1-29(A)	1/1/2007	
		A2. Does the state provide notice of changes in the taxability matrix as required by the Governing Board?	Yes	44-18.1-29(A)	1/1/2007	
		B. Does the state relieve sellers and CSPs from liability to the state and its local jurisdictions for having charged and collected incorrect tax resulting from erroneous data in the matrix?	Yes	44-18.1-29(B)	1/1/2007	
		C. If the state taxes specified digital products, has the state noted such in the taxability matrix?	N/A			
		D. If the state has a sales tax holiday, has the state noted the exemption in the taxability matrix?	N/A			
Section 329	Effective date for rate changes					
		Does the state provide that the effective date of rate changes for services covering a period starting before or ending after the statutory effective date is as follows:				
		1. For a rate increase, the new rate shall apply to the first billing period starting on or after the effective date?	Yes	44-18.1-30(A)	1/1/2007	
		2. For a rate decrease, new rate shall apply to bills rendered on or after the effective date?	Yes	44-18.1-30(B)	1/1/2007	
Section 330	Bundled Transactions					
		A. Has the state adopted and does the state utilize the core definition of "bundled transaction" to determine tax treatment?	Yes	44-18.1-31(A)	1/1/2007	
		C. Can the state confirm that for bundled transactions that include telecommunication service, ancillary service, internet access, or audio or video programming service the following rules apply:				

		1.For transactions that include both taxable and nontaxable items, the price attributable to nontaxable items is exempt if the provider can identify the price by reasonable and verifiable standards from its books and records.	Yes	44-18.1-31(C)(1)	1/1/2007	
		2. For transactions that include products subject to different tax rates, the total price may be treated as attributable to the products subject to tax at the highest tax rate unless the provider can identify by reasonable and verifiable standards the portion of the price attributable to the products subject to tax at the lower rate from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, non-tax purposes?	Yes	44-18.1-31(C)(2)	1/1/2007	
Section 331	Relief from certain liability for purchasers	Effective on or after January 1, 2009				
		A. Does the state provide relief for purchasers from liability for penalty to that state and its local jurisdictions for having failed to pay the correct amount of sales or use tax in the following circumstances:				
		1. A purchaser's seller or CSP relied on erroneous data provided by the state on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix completed by the state pursuant to Section 328?	Yes	44-18.1-7	1/1/2007	
		2. A purchaser holding a direct pay permit relied on erroneous data provided by the state on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix completed by the state pursuant to Section 328?	Yes	44-18.1-29(B)	1/1/2007	
		3. A purchaser relied on erroneous data provided by the state in the taxability matrix completed by the state pursuant to Section 328?	Yes	44-18.1-29(B)	1/1/2007	
		4. A purchaser using databases pursuant to subsections (F), (G), and (H) of Section 305 relied on erroneous data provided by the state on tax rates, boundaries, or taxing jurisdiction assignments?	N/A			No Local Sales/Use Tax

		B. (Except where prohibited by a member state's constitution) Does the state relieve a purchaser from liability for tax and interest to the state and its local jurisdictions for having failed to pay the correct amount of sales or use tax in the circumstances described in Section 331 A, provided that, with respect to reliance on the taxability matrix completed by the state pursuant to Section 328, such relief is limited to the state's erroneous classification in the taxability matrix of terms included in the Library of Definitions as "taxable" or "exempt", "included in sales price" or "excluded from sales price" or "included in the definition" or "excluded from the definition".	Yes	44-18.1-29(B)	1/1/2007	Rhode Island provides relief liability to purchasers as administrative practice under 44-18.1-29(B). In the next legislative session, a law change will be submitted to adopt the specific language pertaining to "purchasers" in accordance with Section 331 of the SSUTA.
Section 332	Specified Digital Products					
		A. Does the state include specified digital products, digital audio-visual works, digital audio works, or digital books in its definition of ancillary services, computer software, telecommunication services or tangible personal property?	No			
		D1. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only to the end user unless specifically imposed on someone other than the end user?	N/A			
		D2. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only on a sale with the right of permanent use unless specifically imposed on a sale with less than permanent use?	N/A			
		D3. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only on a sale which is not conditioned upon continued payment from the purchaser unless specifically imposed on a sale which is conditioned upon continued payment from the purchaser?	N/A			
		D4. Does the state's taxability matrix indicate if the state's tax is imposed on a product transferred electronically to a person other than the end user or on a sale with the right of less than permanent use granted by the seller or which is conditioned upon continued payment from the purchaser?	N/A			
		G. Is the state's tax treatment of the sale of a digital code the same as the tax treatment of specified digital product to which the digital code relates?	N/A			

Section 333	Use of Specified Digital Products	Effective January 1, 2010				
		Does the state include any product transferred electronically in its definition of tangible personal property?	No			
Section 401	Seller participation					
		A. Does the state participate in the Governing Board's online registration system?	Yes	44-18.1-32(A)	1/1/2007	
		B. Does the state provide that it will not use a seller's registration with the central registration system and collection of taxes in member states in determining whether seller has nexus with state for tax at any time?	Yes	44-18.1-32(D)	1/1/2007	
Section 402	Amnesty for registration					
	CRIC INTERPRETATION ADOPTED DECEMBER 14, 2006	A1. Does the state provide amnesty to a seller who registers to pay or collect and remit applicable tax in accordance with Agreement, provided the seller was not so registered in state in 12-month period preceding effective date of state's participation in the Agreement?	Yes	44-18.1-33(A)(1)	1/1/2007	
		A2. Does the state provide that their amnesty will preclude assessment for tax together with penalty and interest for sales made during the period the seller was not registered in the state, provided registration occurs within 12 months of effective date of state's participation in the Agreement?	Yes	44-18.1-33(A)(2)	1/1/2007	
		A3. Does the state provide amnesty to sellers registered prior to when the state joins the Agreement?	Yes	44-18.1-33(A)(3)	1/1/2007	
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006	B. Does the state provide that its amnesty is not available to a seller who has received a notice of audit from that state and the audit is not yet resolved, including any related administrative and judicial processes?	Yes	44-18.1-33(B)	1/1/2007	
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006	C. Does the state provide that its amnesty does not apply to taxes already paid to the state or to taxes already collected by a seller?	Yes	44-18.1-33(C)	1/1/2007	
	CRIC INTERPRETATIONS ADOPTED AUGUST 29, 2006 & DECEMBER 14, 2006	D. Does the state provide that its amnesty is fully effective, absent fraud or misrepresentation of material fact, as long as the seller continues registration and continues payment of taxes for period of at least 36 months? Did the state toll its statute applicable to asserting a tax liability during 36 month period?	Yes	44-18.1-33(D)	1/1/2007	
		E. Does the state provide that its amnesty is applicable only to taxes due from a seller in its capacity as seller and not in its capacity as a buyer?	Yes	44-18.1-33(E)	1/1/2007	
Section 403	Method of remittance					
		Does the state provide that the seller may select one of the technology models?	Yes	44-18.1-34	1/1/2007	

		A. Model 1-seller selects CSP as agent to perform all functions except remit tax on its own purchases?	Yes	44-18.1-34(A)	1/1/2007	
		B. Model 2-seller selects CAS which calculates amount of tax due?	Yes	44-18.1-34(B)	1/1/2007	
		C. Model 3-seller utilizes own proprietary system that has been certified as a CAS?	Yes	44-18.1-34(C)	1/1/2007	
Section 404	Registration by an agent					
		Does the state provide that the seller may be registered by an agent?	Yes	44-18.1-35	1/1/2007	
	This isn't a compliance issue but is something sellers and their agents should know.	Does the state require that the written agent appointments be submitted to the state?	Yes	44-18.1-35	1/1/2007	
Section 501	Provider and System Certification					
		A. Does state law provide for provider and system certification to aid in the administration of sales and use tax collection?	No			As provided per SSUTA
Section 502	State review and approval of Certified Automated System Software and Certain Liability Relief					
		A. Can the state confirm that it reviews software submitted for certification as a CAS under Section 501?	Yes			As provided per SSUTA
		B. Does the state provide liability relief to CSP's and model 2 sellers for reliance on the certification?	Yes			As provided per SSUTA
		C. Does the state provide liability relief to CSP's in the same manner as provided to sellers under Section 317?	Yes			As provided per SSUTA
		E. Does the state allow the CSP or model 2 seller 10 days to correct classification of items found to be in error before holding the CSP or model 2 seller liable?	Yes			As provided per SSUTA
Section 601	Monetary allowance under Model 1					
		A. Does the state provide a monetary allowance to a CSP in Model 1 in accordance with the terms of the contract between the governing board and the CSP?	Yes	44-18.1-36(A)	1/1/2007	
Section 602	Monetary allowance for Model 2 sellers					
		Does the state provide monetary allowance to Model 2 sellers pursuant to the Governing Board's rules?	Yes	44-18.1-37(A)	1/1/2007	
Section 603	Monetary allowance for Model 3 sellers and all other sellers that are not under Models 1 or 2					

		A. Does state law provide for a percentage of revenue monetary allowance for a period not to exceed 24 months for a voluntary Model 3 seller's registration and all other sellers that are not using Models 1, 2, or 3?	Yes	44-18.1-38	1/1/2007	
Section 604		Effective January 1, 2010				
		Does the state provide reasonable compensation for the incremental expenses in establishing or maintaining a uniform origin system for administering, collection and remitting sales and use taxes on origin-based sales?	N/A			

		APPENDIX C - LIBRARY OF DEFINITIONS				
		Please verify for each item that the state uses the definition provided by the Agreement. If the item is not applicable in your state, answer "N/A."				
Part I	Administrative definitions					
		Bundled transaction	Yes	44-18-7.1(c)		
		Delivery charges	Yes	44-18-7.1(i)		
	CRIC INTERPRETATION ADOPTED DECEMBER 14, 2006	Direct mail	Yes	44-18-7.1(j)		
		Lease or rental	Yes	44-18-7.1(o)		
		Purchase price	Yes	44-18-7.1(v)		
		Retail sale or Sale at retail	Yes	44-18-8		
		Sales price	Yes	44-18-12		
		Telecommunications nonrecurring charges	Yes	Regulation SU 07-129		
		Tangible personal property	Yes	44-18-16		
Part II	Product definitions	CLOTHING				
		Clothing	Yes	44-18-7.1(f)(i)	1/1/2007	
		Clothing accessories or equipment	Yes	44-18-7.1(f)(ii)	1/1/2007	
	CRIC INTERPRETATION ADOPTED AUGUST 29, 2006	Fur clothing	Yes			R.I. adopts CRIC Interpretation. "Clothing" is exempt from Rhode Island Sales/Use Tax. In the next legislative session, a law change will be submitted to adopt the specific language pertaining to "fur clothing".
		Protective equipment	Yes	44-18-7.1(f)(iii)	1/1/2007	
		Sport or recreational equipment	Yes	44-18-7.1(f)(iv)	1/1/2007	
		COMPUTER RELATED				
		Computer	Yes	44-18-7.1(g)(i)	1/1/2007	
		Computer software	Yes	44-18-7.1(g)(ii)	1/1/2007	
		Delivered electronically	Yes	44-18-7.1(g)(iii)	1/1/2007	
		Electronic	Yes	44-18-7.1(g)(iv)	1/1/2007	
		Load and leave	Yes	44-18-7.1(g)(v)	1/1/2007	
		Prewritten computer software	Yes	44-18-7.1(g)(vi)	1/1/2007	
		DIGITAL PRODUCTS				
		Specified digital products	N/A	Exempt		Law change will be submitted to adopt definition.
		Digital audio-visual works	N/A	Exempt		Law change will be submitted to adopt definition.
		Digital audio works	N/A	Exempt		Law change will be submitted to adopt definition.
		Digital books	N/A	Exempt		Law change will be submitted to adopt definition.
		FOOD AND FOOD PRODUCTS				
		Alcoholic beverages	Yes	44-18-7.1(b)	1/1/2007	
	CRIC INTERPRETATION ADOPTED SEPTEMBER 20, 2007	Candy	Yes	44-18-7.1(l)(iii)	1/1/2007	
		Dietary supplement	Yes	44-18-7.1(l)(v)	1/1/2007	
		Food and food ingredients	Yes	44-18-7.1(l)(i)	1/1/2007	
		Food sold through vending machines	Yes	44-18-7.1(m)	1/1/2007	
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006 & DECEMBER 14, 2006	Prepared food	Yes	44-18-7.1(l)(ii)	1/1/2007	
		Soft drinks	Yes	44-18-7.1(l)(iv)	1/1/2007	
		Tobacco	Yes	44-18-7.1(z)	1/1/2007	
		HEALTH-CARE				

	CRIC INTERPRETATION ADOPTED JUNE 23, 2007	Drug	Yes	44-18-7.1(h)(i)	1/1/2007	
		Durable medical equipment (effective 1/1/08)	Yes	44-18-7.1(k)	1/1/2007	
		Grooming and hygiene products	Yes	44-18-7.1(h)(iii)	1/1/2007	
		Mobility enhancing equipment	Yes	44-18-7.1(p)	1/1/2007	
		Over-the-counter-drug	Yes	44-18-7.1(h)(ii)	1/1/2007	
		Prescription	Yes	44-18-7.1(h)(iv)	1/1/2007	
		Prosthetic device	Yes	44-18-7.1(t)	1/1/2007	
		TELECOMMUNICATIONS				
		The following are Tax Base/Exemption terms:				
		Ancillary services	Yes	44-18-7.1(y)(i)(A)	1/1/2007	
		Conference bridging service	Yes	44-18-7.1(y)(i)(B)	1/1/2007	
		Detailed telecommunications billing service	Yes	44-18-7.1(y)(i)(C)	1/1/2007	
		Directory assistance	Yes	44-18-7.1(y)(i)(D)	1/1/2007	
		Vertical service	Yes	44-18-7.1(y)(i)(E)	1/1/2007	
		Voice mail service	Yes	44-18-7.1(y)(i)(F)	1/1/2007	
		Telecommunications service	Yes	44-18-7.1(y)(i)(G)	1/1/2007	
		800 service	Yes	44-18-7.1(y)(i)(H)	1/1/2007	
		900 service	Yes	44-18-7.1(y)(i)(I)	1/1/2007	
		Fixed wireless service	Yes	44-18-7.1(y)(i)(J)	1/1/2007	
		Mobile wireless service	Yes	44-18-7.1(y)(i)(K)	1/1/2007	
		Paging service	Yes	44-18-7.1(y)(i)(L)	1/1/2007	
		Prepaid calling service	Yes	44-18-7.1(y)(i)(M)	1/1/2007	
		Prepaid wireless calling service	Yes	44-18-7.1(y)(i)(N)	1/1/2007	
		Private communications service	Yes	44-18-7.1(y)(i)(O)	1/1/2007	
		Value-added non-voice data service	Yes	44-18-7.1(y)(i)(P)	1/1/2007	
		The following are Modifiers of Sales Tax Base/Exemption Terms:				
		Coin-operated telephone service	Yes	44-18-7.1(y)(ii)(A)	1/1/2007	
		International	Yes	44-18-7.1(y)(ii)(B)	1/1/2007	
		Interstate	Yes	44-18-7.1(y)(ii)(C)	1/1/2007	
		Intrastate	Yes	44-18-7.1(y)(ii)(D)	1/1/2007	
		Pay telephone service	Yes	44-18-7.1(y)(ii)(E)	1/1/2007	
		Residential telecommunications service	Yes	44-18-7.1(y)(ii)(F)	1/1/2007	
Part III	Sales Tax Holiday Definitions					
		Eligible property	Yes	44-18-7.2(a)	1/1/2007	
		Energy Star qualified product	Yes	Administrative Practice	1/1/2007	Law change will be submitted to adopt definition.
		Layaway sale	Yes	44-18-7.2(b)	1/1/2007	
		Rain check	Yes	44-18-7.2(c)	1/1/2007	
		School supply	Yes	44-18-7.2(d)	1/1/2007	
		School art supply	Yes	44-18-7.2(e)	1/1/2007	
		School instructional material	Yes	44-18-7.2(f)	1/1/2007	
		School computer supply	Yes	44-18-7.2(g)	1/1/2007	

Notes:

The Certificate of Compliance was revised on February 1, 2008, to reflect amendments to the Agreement as approved by the Streamlined Sales Tax Implementing States on December 12, 2007.

Certificate of Compliance Attestation

As the chief executive of the state's tax agency, I declare that this Certificate of Compliance is true, correct, and complete to the best of my knowledge and belief.



Signature

Tax Administrator

Title

Rhode Island

State

July 28, 2008

Date

**Streamlined Sales Tax Governing Board
Section 328 Taxability Matrix
Library of Definitions
(Revised May 7, 2008)**

State: RHODE ISLAND
Completed by: Peter J. McVay
E-mail address: pmcvay@tax.ri.gov
Phone number: (401) 574-8922

Each of the items listed in the chart are defined in the Library of Definitions in the Streamlined Sales and Use Tax Agreement (SSUTA) adopted November 12, 2002 and as amended effective January 1, 2008. Refer to Appendix C of the SSUTA for each definition.

Place an "X" in the appropriate column under the heading "Treatment of definition" to indicate the treatment of each definition in your state. If a product definition was not adopted by your state, enter "NA" in the column under the heading "Reference" and indicate in the "Treatment of definition" columns the treatment of the product in your state. In accordance with the SSUTA, your state must adopt the definitions in the Library of Definitions that apply to your state without qualifications except for those allowed by the SSUTA. For this reason, do not enter any comments or qualifications in the two columns under the heading "Treatment of definition". If your state has adopted a definition in the Library of Definitions with a qualification not specified in the SSUTA, do not place an "X" in either column under the heading "Treatment of definition" but include a comment in the "Reference" column explaining the qualification. Enter the applicable statute/rule cite in the "Reference" column.

Sellers and certified service providers are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state relative to treatment of the terms defined in the Library of Definitions.

Administrative definitions	Treatment of definition		Reference
	Included in sales price	Excluded from sales price	Statute/Rule Cite
Sales price: Identify how the options listed below are treated in your state. The following options may be excluded from the definition of sales price only if they are separately stated on the bill to the purchaser. <ul style="list-style-type: none"> • Charges by the seller for any services necessary to complete the sale other than delivery and installation • Telecommunication nonrecurring charges • Installation charges • Credit for trade-in 	X		44-18-12(a)(iii)
		X	44-18-12(b)(ii) Separately Stated
		X	44-18-12(b)(ii)
	X		44-18-12(a)(v)

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• Delivery charges: The following options may be excluded from the definition of delivery charges only if they are separately stated on the bill to the purchaser.	Included in sales price	Excluded from sales price	Statute/Rule Cite
• Handling, crating, packing, preparation for mailing or delivery, and similar charges	X		44-18-7.1(i) & 44-18-12(a)(iv)
• Transportation, shipping, postage, and similar charges	X		44-18-7.1(i) & 44-18-12(a)(iv)
• Delivery charges for direct mail		X	44-18-7.1(i)
Sales Tax Holidays	Yes	No	Statute/Rule Cite
Sales Tax Holidays: Does your state have a sales tax holiday?		X	
Indicate if your state has a sales tax holiday for the following products.		X	
• Energy star qualified product		X	
• School supply		X	
• School art supply		X	
• School instructional material		X	
• School computer supply		X	
• Computers		X	
• Prewritten computer software		X	
• Clothing		X	
Other defined products (please specify)			
•			
•			
Product definitions			
Clothing and related products	Taxable	Exempt	Statute/Rule Cite
Clothing		X	44-18-30(27)
Fur clothing		X	44-18-30 (27) Law change will be submitted to adopt definition.
Clothing accessories or equipment	X		44-18-30(27)
Protective equipment	X		44-18-30(27)
Sport or recreational equipment	X		44-18-30(27)
Computer related products	Taxable	Exempt	Statute/Rule Cite
Computer	X		44-18-8 & 44-18-16
Computer software (both prewritten and non-prewritten)	X	X	Prewritten Taxable under 44-18-16 Non-prewritten is Exempt
Computer software (both prewritten and non-prewritten) delivered electronically		X	44-18-30(61)
Computer software (both prewritten and non-prewritten) delivered via load and leave		X	44-18-30(61)
Prewritten computer software	X		44-18-16
Prewritten computer software delivered electronically		X	44-18-30(61)
Prewritten computer software delivered via load and leave		X	44-18-30(61)

Digital Product Definitions	Yes	No	Statute/Rule Cite
Products Transferred Electronically (A state imposing tax on products “transferred electronically” is not required to adopt definitions of specified digital products. Does your state impose tax on products transferred electronically?)		X	
	Taxable	Exempt	Statute/Rule Cite
Specified Digital Products (with rights of permanent use)		X	Law change will be submitted to adopt definition.
Specified Digital Products (with rights of less than permanent use)		X	Law change will be submitted to adopt definition.
Specified Digital Products (with rights conditioned on continued payments)		X	Law change will be submitted to adopt definition.
• Digital Audio Visual Works (with rights for permanent use)		X	Law change will be submitted to adopt definition.
• Digital Audio Visual Works (with rights of less than permanent use)		X	Law change will be submitted to adopt definition.
• Digital Audio Visual Works (with rights conditioned on continued payments)		X	Law change will be submitted to adopt definition.
• Digital Audio Works (with rights for permanent use)		X	Law change will be submitted to adopt definition.
• Digital Audio Works (with rights of less than permanent use)		X	Law change will be submitted to adopt definition.
• Digital Audio Works (with rights conditioned on continued payments)		X	Law change will be submitted to adopt definition.
• Digital Books (with rights for permanent use)		X	Law change will be submitted to adopt definition.
• Digital Books (with rights of less than permanent use)		X	Law change will be submitted to adopt definition.
• Digital Books (with rights conditioned on continued payments)		X	Law change will be submitted to adopt definition.
Section 332H provides states may have product based exemptions for specific items within specified digital products. List product based exemptions for specific items included in specified digital products.	Taxable	Exempt	Statute/Rule Cite
•	N/A		
•	N/A		
•	N/A		
Food and food products	Taxable	Exempt	Statute/Rule Cite
Food and food ingredients excluding alcoholic beverages and tobacco		X	44-18-30(9)
Candy	X		44-18-30(9)
Dietary Supplements	X		44-18-30(9)
Dietary Supplements -Sold on prescription		X	44-18-30(59)
Soft Drinks	X		44-18-30(9)
Food sold through vending machines	X		44-18-30(9)

Prepared Food	X		44-18-30(9)
Prepared food options - indicate whether the following options are included or excluded from the definition of prepared food. Options excluded from prepared food are taxed the same as food and food ingredients.	Included in definition	Excluded from definition	Statute/Rule Cite
• Food sold without eating utensils provided by the seller whose primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries)		X	44-18-30(9)(i)
• Food sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item		X	44-18-30(9)(ii)
• Bakery items sold without eating utensils provided by the seller, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas		X	44-18-30(9)(iii)
Health-care products	Taxable	Exempt	Statute/Rule Cite
Drugs (indicate how the options are treated in your state)			
• Drugs (both human and animal use) without a prescription	X		44-18-30(10)(i)
• Drugs (both human and animal use) with a prescription		X	44-18-30(10)(i)
• Drugs for human use without a prescription	X		44-18-30(10)(i)
• Drugs for human use with a prescription		X	44-18-30(10)(i)
• Insulin (both human and animal use) without a prescription		X	44-18-30(10)(i)
• Insulin (both human and animal use) with a prescription		X	44-18-30(10)(i)
• Insulin for human use without a prescription		X	44-18-30(10)(i)
• Insulin for human use with a prescription		X	44-18-30(10)(i)
• Medical oxygen (both human and animal use) without a prescription		X	44-18-30(10)(i)
• Medical oxygen (both human and animal use) with a prescription		X	44-18-30(10)(i)
• Medical oxygen for human use without a prescription		X	44-18-30(10)(i)
• Medical oxygen for human use with a prescription		X	44-18-30(10)(i)
• Over-the-counter drugs (both human and animal use) without a prescription		X	44-18-30(10)(i)
• Over-the-counter drugs (both human and animal use) with a prescription		X	44-18-30(10)(i)
• Over-the-counter drugs for human use without a prescription		X	44-18-30(10)(i)
• Over-the-counter drugs for human use with a prescription		X	44-18-30(10)(i)
• Grooming and hygiene products (both human and animal use)	X		44-18-30(10)(i)
• Grooming and hygiene products for human use	X		44-18-30(10)(i)
• Drugs for human use to hospitals and other medical facilities		X	44-18-30(10)(i)
• Prescription drugs for human use to hospitals and other medical facilities		X	44-18-30(10)(i)
• Drugs for animal use to veterinary hospitals and other animal medical facilities		X	44-18-30(10)(i)
• Prescription drugs for animal use to hospitals and other animal medical facilities		X	44-18-30(10)(i)
• Taxable and nontaxable drugs bundled together	N/A		
• Free samples of drugs for human use	X		No Exemption
• Free samples of prescription drugs for human use	X		No Exemption
• Free samples of drugs for animal use	X		No Exemption

• Free samples of prescription drugs for animal use	X		No Exemption
Durable medical equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite
• Durable medical equipment without a prescription	N/A		
• Durable medical equipment with a prescription	N/A		
• Durable medical equipment paid for by Medicare	N/A		
• Durable medical equipment reimbursed by Medicare	N/A		
• Durable medical equipment paid for by Medicaid	N/A		
• Durable medical equipment reimbursed by Medicaid	N/A		
• Durable medical equipment for home use without a prescription		X	44-18-30(10)(ii)
• Durable medical equipment for home use with a prescription		X	44-18-30(10)(ii)
• Durable medical equipment for home use paid for by Medicare		X	44-18-30(10)(ii)
• Durable medical equipment for home use reimbursed by Medicare		X	44-18-30(10)(ii)
• Durable medical equipment for home use paid for by Medicaid		X	44-18-30(10)(ii)
• Durable medical equipment for home use reimbursed by Medicaid		X	44-18-30(10)(ii)
• Oxygen delivery equipment without a prescription	N/A		
• Oxygen delivery equipment with a prescription	N/A		
• Oxygen delivery equipment paid for by Medicare	N/A		
• Oxygen delivery equipment reimbursed by Medicare	N/A		
• Oxygen delivery equipment paid for by Medicaid	N/A		
• Oxygen delivery equipment reimbursed by Medicaid	N/A		
• Oxygen delivery equipment for home use without a prescription		X	44-18-30(10)(ii) & SU 07-30
• Oxygen delivery equipment for home use with a prescription		X	44-18-30(10)(ii) & SU 07-30
• Oxygen delivery equipment for home use paid for by Medicare		X	44-18-30(10)(ii) & SU 07-30
• Oxygen delivery equipment for home use reimbursed by Medicare		X	44-18-30(10)(ii) & SU 07-30
• Oxygen delivery equipment for home use paid for by Medicaid		X	44-18-30(10)(ii) & SU 07-30
• Oxygen delivery equipment for home use reimbursed by Medicaid		X	44-18-30(10)(ii) & SU 07-30
• Kidney dialysis equipment without a prescription	N/A		
• Kidney dialysis equipment with a prescription	N/A		
• Kidney dialysis equipment paid for by Medicare	N/A		
• Kidney dialysis equipment reimbursed by Medicare	N/A		
• Kidney dialysis equipment paid for by Medicaid	N/A		
• Kidney dialysis equipment reimbursed by Medicaid	N/A		
• Kidney dialysis equipment for home use without a prescription		X	44-18-30(10)(ii)
• Kidney dialysis equipment for home use with a prescription		X	44-18-30(10)(ii)
• Kidney dialysis equipment for home use paid for by Medicare		X	44-18-30(10)(ii)
• Kidney dialysis equipment for home use reimbursed by Medicare		X	44-18-30(10)(ii)
• Kidney dialysis equipment for home use paid for by Medicaid		X	44-18-30(10)(ii)
• Kidney dialysis equipment for home use reimbursed by Medicaid		X	44-18-30(10)(ii)
• Enteral feeding systems without a prescription	N/A		
• Enteral feeding systems with a prescription	N/A		

• Enteral feeding systems paid for by Medicare	N/A		
• Enteral feeding systems reimbursed by Medicare	N/A		
• Enteral feeding systems paid for by Medicaid	N/A		
• Enteral feeding systems reimbursed by Medicaid	N/A		
• Enteral feeding systems for home use without a prescription		X	44-18-30(10)(ii)
• Enteral feeding systems for home use with a prescription		X	44-18-30(10)(ii)
• Enteral feeding systems for home use paid for by Medicare		X	44-18-30(10)(ii)
• Enteral feeding systems for home use reimbursed by Medicare		X	44-18-30(10)(ii)
• Enteral feeding systems for home use paid for by Medicaid		X	44-18-30(10)(ii)
• Enteral feeding systems for home use reimbursed by Medicaid		X	44-18-30(10)(ii)
• Repair and replacement parts which are for single patient use		X	44-18-30(10)(ii) Law change will be submitted to adopt definition.
Mobility enhancing equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite
• Mobility enhancing equipment without a prescription		X	44-18-30(11) & Regulation SU 07-30
• Mobility enhancing equipment with a prescription		X	44-18-30(11) & Regulation SU 07-30
• Mobility enhancing equipment paid for by Medicare		X	44-18-30(11) & Regulation SU 07-30
• Mobility enhancing equipment reimbursed by Medicare		X	44-18-30(11) & Regulation SU 07-30
• Mobility enhancing equipment paid for by Medicaid		X	44-18-30(11) & Regulation SU 07-30
• Mobility enhancing equipment reimbursed by Medicaid		X	44-18-30(11) & Regulation SU 07-30
Prosthetic devices (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite
• Prosthetic devices without a prescription	X		No Exemption
• Prosthetic devices with a prescription		X	44-18-30(11)
• Prosthetic devices paid for by Medicare	N/A		
• Prosthetic devices reimbursed by Medicare	N/A		
• Prosthetic devices paid for by Medicaid	N/A		
• Prosthetic devices reimbursed by Medicaid	N/A		
• Corrective eyeglasses without a prescription	X		44-18-30(11)
• Corrective eyeglasses with a prescription		X	44-18-30(11)
• Corrective eyeglasses paid for by Medicare	N/A		
• Corrective eyeglasses reimbursed by Medicare	N/A		
• Corrective eyeglasses paid for by Medicaid	N/A		
• Corrective eyeglasses reimbursed by Medicaid	N/A		
• Contact lenses without a prescription	X		44-18-30(11)
• Contact lenses with a prescription		X	44-18-30(11)
• Contact lenses paid for by Medicare	N/A		
• Contact lenses reimbursed by Medicare	N/A		
• Contact lenses paid for by Medicaid	N/A		
• Contact lenses reimbursed by Medicaid	N/A		
• Hearing aids without a prescription		X	44-18-30(11)

• Hearing aids with a prescription		X	44-18-30(11)
• Hearing aids paid for by Medicare		X	44-18-30(11)
• Hearing aids reimbursed by Medicare		X	44-18-30(11)
• Hearing aids paid for by Medicaid		X	44-18-30(11)
• Hearing aids reimbursed by Medicaid		X	44-18-30(11)
• Dental prosthesis without a prescription	X		No Exemption
• Dental prosthesis with a prescription		X	44-18-30(11)
• Dental prosthesis paid for by Medicare	N/A		
• Dental prosthesis reimbursed by Medicare	N/A		
• Dental prosthesis paid for by Medicaid	N/A		
• Dental prosthesis reimbursed by Medicaid	N/A		
Telecommunications & related products	Taxable	Exempt	Statute/Rule Cite
Ancillary Services	X		44-18-12.1 & 44-18-7(9)
• Conference bridging service	X		44-18-12.1 & 44-18-7(9)
• Detailed telecommunications billing service	X		44-18-12.1 & 44-18-7(9)
• Directory assistance	X		44-18-12.1 & 44-18-7(9)
• Vertical service	X		44-18-12.1 & 44-18-7(9)
• Voice mail service	X		44-18-12.1 & 44-18-7(9)
Telecommunications (Indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite
• Intrastate Telecommunications Service	X		44-18-12.1 & 44-18-7(9)
• Interstate Telecommunications Service	X		44-18-12.1 & 44-18-7(9)
• International Telecommunications Service	X		44-18-12.1 & 44-18-7(9)
• International 800 service	X		44-18-12.1 & 44-18-7(9)
• International 900 service		X	
• International fixed wireless service	X		44-18-12.1 & 44-18-7(9)
• International mobile wireless service	X		44-18-12.1 & 44-18-7(9)
• International paging service	X		44-18-12.1 & 44-18-7(9)
• International prepaid calling service	X		44-18-12.1 & 44-18-7(9)
• International prepaid wireless calling service	X		44-18-12.1 & 44-18-7(9)
• International private communications service	X		44-18-12.1 & 44-18-7(9)
• International value-added non-voice data service	X		44-18-12.1 & 44-18-7(9)
• International residential telecommunications service	X		44-18-12.1 & 44-18-7(9)
• Interstate 800 service	X		44-18-12.1 & 44-18-7(9)
• Interstate 900 service		X	
• Interstate fixed wireless service	X		44-18-12.1 & 44-18-7(9)
• Interstate mobile wireless service	X		44-18-12.1 & 44-18-7(9)
• Interstate paging service	X		44-18-12.1 & 44-18-7(9)
• Interstate prepaid calling service	X		44-18-12.1 & 44-18-7(9)
• Interstate prepaid wireless calling service	X		44-18-12.1 & 44-18-7(9)

• Interstate private communications service	X		44-18-12.1 & 44-18-7(9)
• Interstate value-added non-voice data service	X		44-18-12.1 & 44-18-7(9)
• Interstate residential telecommunications service	X		44-18-12.1 & 44-18-7(9)
• Intrastate 800 service	X		44-18-12.1 & 44-18-7(9)
• Intrastate 900 service		X	
• Intrastate fixed wireless service	X		44-18-12.1 & 44-18-7(9)
• Intrastate mobile wireless service	X		44-18-12.1 & 44-18-7(9)
• Intrastate paging service	X		44-18-12.1 & 44-18-7(9)
• Intrastate prepaid calling service	X		44-18-12.1 & 44-18-7(9)
• Intrastate prepaid wireless calling service	X		44-18-12.1 & 44-18-7(9)
• Intrastate private communications service	X		44-18-12.1 & 44-18-7(9)
• Intrastate value-added non-voice data service	X		44-18-12.1 & 44-18-7(9)
• Intrastate residential telecommunications service	X		44-18-12.1 & 44-18-7(9)
• Coin-operated telephone service	X		44-18-12.1 & 44-18-7(9)
• Pay telephone service	X		44-18-12.1 & 44-18-7(9)
• Local Service as defined by RHODE ISLAND	X		44-18-12.1 & 44-18-7(9)