



Rhode Island Department of Revenue Division of Taxation

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TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS
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New law requires remote sellers to collect and remit sales and use tax

New law also applies to marketplace facilitators and referrers

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today issued a reminder that, under recently enacted legislation, remote sellers, marketplace facilitators, and referrers will be required to register with the Rhode Island Division of Taxation and collect and remit Rhode Island sales and use tax, effective July 1, 2019.

The requirement applies to remote sellers with no physical presence in Rhode Island who sell products/services into Rhode Island, marketplace facilitators with no physical presence in Rhode Island who facilitate the sale of products/services into Rhode Island, and referrers with no physical presence in Rhode Island who refer the sale of products/services into Rhode Island, if:

- The remote seller, marketplace facilitator, or referrer in calendar year 2018 had gross revenue¹ from sales into Rhode Island of \$100,000 or more, or
- The remote seller, marketplace facilitator, or referrer in calendar year 2018 had sales into Rhode Island in 200 or more separate transactions.

Key provisions of Rhode Island's new law involving remote sellers, marketplace facilitators, and referrers take effect July 1, 2019.

For more information, see the legislation as enacted: [House Bill 5278A](#) and [Senate Bill 251A](#). (They are identical bills and were both signed into law.)

The following answers to frequently asked questions (FAQs) provide some additional information:

Q: One requirement of the new law is to register with the Rhode Island Division of Taxation. How does a taxpayer register with the Division?

You may [register with the Division online](#), or register by completing and submitting the [Business Application and Registration \(BAR\) form](#), or register [online through the Streamlined Sales and Use Tax Governing Board website](#). (The Streamlined option lets a remote seller register with any or all of 24 Streamlined member states, including Rhode Island.)

¹ "Gross revenue" for this purpose means gross revenue from the sale of tangible personal property, prewritten computer software delivered electronically or by load and leave, vendor-hosted prewritten computer software, and/or taxable services delivered into Rhode Island that equaled or exceeded \$100,000 in the previous calendar year.

Q: Once a taxpayer registers, how does the taxpayer file and submit Rhode Island sales and use tax?

Once you are registered with the Division of Taxation, you may [pay online](#): When you pay online, your payment represents your return. Or you may file and pay using Rhode Island sales and use tax coupons. ([Blank forms](#) are on the Division's website.)

Alternatively, you may register with Rhode Island (and other states that are members of the Streamlined Sales and Use Tax Agreement) through [the Streamlined website](#); if you use a [certified service provider \(CSP\)](#) through Streamlined, the CSP will handle filings and payments for you. (Depending on the circumstances, you may not be charged for the CSP's service.)

Rhode Island's new law was enacted in response to a U.S. Supreme Court case decided in June 2018: [South Dakota v. Wayfair, Inc., et al.](#)

For more information, see the Rhode Island legislation as enacted: [House Bill 5278A](#) and [Senate Bill 251A](#). (They are identical bills and were both signed into law.)

Q: When must a taxpayer register?

If a taxpayer had gross revenue of \$100,000 or more from sales into Rhode Island in calendar year 2018, or had 200 or more separate transactions involving sales into Rhode Island in calendar year 2018, the taxpayer must register with the Rhode Island Division of Taxation and collect and remit Rhode Island sales and use tax effective July 1, 2019 – for taxable sales into Rhode Island from July 1, 2019 through December 31, 2019.²

Thereafter, the test applies on a calendar-year basis. For example:

- If a remote seller has gross revenue of \$100,000 or more from sales into Rhode Island in calendar year 2019, or has 200 or more separate transactions involving sales into Rhode Island in calendar year 2019, the remote seller must register with the Rhode Island Division of Taxation and collect and remit Rhode Island sales and use tax effective January 1, 2020.

Q: How may a taxpayer obtain additional information about Rhode Island's new law involving remote sellers, marketplace facilitators, and referrers?

The Division is in the process of compiling FAQs that will provide additional information. You may also call the Division's Excise & Estate Tax unit at (401) 574-8955 (the line is typically staffed from 8:30 a.m. to 3:30 p.m. Eastern Time business days), or email: Tax.Excise@tax.ri.gov. To view the legislation as enacted, click [here](#) or [here](#).

²² Under Rhode Island's [August 2017 law involving non-collecting retailers and certain others](#), you may still have obligations until early 2020 for the period of January 1, 2019, through June 30, 2019.

Q: How does the new Rhode Island law affect a business that has a physical presence in Rhode Island?

Like many other states, Rhode Island adopted its new law involving remote sellers, marketplace facilitators, and referrers in response to the U.S. Supreme Court's June 2018 decision in *South Dakota v. Wayfair, Inc., et al.* Rhode Island's new law creates a level playing field for local retailers: Remote sellers and certain other affected taxpayers must collect and remit Rhode Island sales and use tax on taxable sales, just as local retailers must.

From a tax compliance standpoint, a business with a physical presence in Rhode Island that makes sales at retail must continue to be registered with the Rhode Island Division of Taxation and collect and remit Rhode Island sales and use tax. That has not changed.

Note: A Rhode Island business that makes sales to customers in other states where it has no physical presence should check with those states to determine how those states' laws may apply to them. The Streamlined Sales and Use Tax program provides businesses of all sizes with the ability to simultaneously obtain a license and collect and remit sales and use taxes with any or all of the program's 24 member states, including Rhode Island (see screenshot below). To learn more about the Streamlined Sales and Use Tax program, click [here](#).



The Rhode Island Division of Taxation office is located at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance to the State House, and is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or click [here](#).
