

2015 -- H 5557

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO TAXATION -- SALES AND USE TAXES - LIABILITY AND
COMPUTATION

Introduced By: Representatives Marcello, Serpa, Nunes, Jacquard, and O'Brien

Date Introduced: February 25, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-18-12.1 of the General Laws in Chapter 44-18 entitled "Sales
2 and Use Taxes - Liability and Computation" is hereby amended to read as follows:

3 **44-18-12.1. "Additional measure subject to tax". --** Also included in the measure
4 subject to tax under this chapter is the total amount charged for the furnishing or distributing of
5 electricity, natural gas, artificial gas, steam, refrigeration, water, telecommunications, telegraph,
6 cable, and radio message service, community antenna television, subscription television, and
7 cable television service; provided, that the measure of tax in regard to telecommunications service
8 is the total consideration received for the service as defined in § 44-18-7(9); provided, that in
9 order to prevent multistate taxation of all telecommunications service, any taxpayer is allowed a
10 credit or refund of sales tax upon presenting proof that a tax has been paid to another state to
11 which the tax is properly due for the identical service taxed under this chapter; provided, further,
12 that for taxpayers, that who are a commercial business, the rate of tax imposed on the services
13 previously enumerated in this section shall be reduced according to the following schedule:

14 (1) In the fiscal year July 1, 2015 to June 30, 2016, the rate shall be three and one-half
15 percent (3.5%);

16 (2) In the fiscal year July 1, 2016 to June 30, 2017 the rate shall be two and one-half
17 percent (2.5%);

18 (3) On and after July 1, 2017 there shall be no tax.

1 Furthermore, included in the measure of tax is the total amount charged for the rental of
2 living quarters in any hotel, rooming house, or tourist camp.

3 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would reduce and then eliminate the sales tax on utility services to businesses.
- 2 This act would take effect upon passage.

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