

2016 -- H 7746

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LC004290
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

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

Introduced By: Representatives Costantino, Marshall, and Lima

Date Introduced: February 25, 2016

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes –
2 Liability and Computation" is hereby amended by adding thereto the following section:

3 **44-18-18.2. Concurrent sales tax holiday with the Commonwealth of Massachusetts.**

4 -- (a) Notwithstanding any general or public law to the contrary, in the event the Commonwealth
5 of Massachusetts institutes a sales tax holiday during the calendar year 2016, then, for the same
6 day or days, an excise tax shall not be imposed upon nonbusiness sales at retail of tangible
7 personal property. For purposes of this section, tangible personal property shall not include
8 telecommunications, tobacco products, gas, steam, oil, electricity, motor vehicles, motorboats,
9 meals or a single item the price of which is in excess of two thousand five hundred dollars
10 (\$2,500).

11 (b) Notwithstanding any general or public law to the contrary, in the event the
12 Commonwealth of Massachusetts institutes a sales tax holiday during the calendar year 2016,
13 then, for the same day or days, a vendor shall not add to the sales price, or collect from a
14 nonbusiness purchaser, an excise upon sales at retail of tangible personal property. The director
15 of the department of revenue ("the director") shall not require a vendor to collect and pay excise
16 upon sales at retail of tangible personal property purchased on any dates concurrent with a sales
17 tax holiday in the Commonwealth of Massachusetts. An excise erroneously or improperly
18 collected during any date concurrent with a sales tax holiday in the Commonwealth of

1 Massachusetts, shall be remitted to the department of revenue.

2 This section shall not apply to the sale of telecommunications, tobacco products, gas,
3 steam, oil, electricity, motor vehicles, motorboats, meals or a single item the price of which is in
4 excess of two thousand five hundred dollars (\$2,500).

5 (c) Reporting requirements imposed upon vendors of tangible personal property, by law
6 or by regulation, including, but not limited to, the requirements for filing returns required
7 pursuant to the general laws, shall remain in effect for sales for the dates concurrent with a sales
8 tax holiday in the Commonwealth of Massachusetts.

9 (d) On or before December 31, 2016, the director of the department of revenue shall
10 certify to the comptroller the amount of sales tax forgone, as well as new revenue raised from
11 personal and corporate income taxes and other sources pursuant to this section. The director shall
12 file a report with the house and senate finance committees detailing the distribution of revenues
13 which would have been deposited in each fund without this section.

14 (e) Upon imposition of a sales tax holiday for dates certain in the Commonwealth of
15 Massachusetts, the director shall issue instructions or forms, or promulgate rules or regulations, as
16 necessary for the implementation of this section.

17 (f) Eligible sales at retail of tangible personal property under subsections (a) and (b) of
18 this section are restricted to those transactions occurring on the specific days concurrent with a
19 sales tax holiday in the Commonwealth of Massachusetts. Transfer of possession of or payment
20 in full for the property shall occur on one of those days, and prior sales or layaway sales shall be
21 ineligible.

22 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 create a Rhode Island sales tax holiday concurrent with a sales tax holiday
2 in the Commonwealth of Massachusetts, and no excise or sales taxes would be collected on
3 nonbusiness sales of tangible personal property, with the exception of sales of
4 telecommunications, tobacco products, gas, steam, oil, electricity, motor vehicles, motorboats,
5 meals or a single item the price of which is in excess of two thousand five hundred dollars
6 (\$2,500).

7 This act would take effect upon passage.

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