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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

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

Introduced By: Representatives Shanley, Canario, Nardolillo, Cunha, and Casimiro

Date Introduced: February 28, 2018

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 31-1-3 of the General Laws in Chapter 31-1 entitled "Definitions
2 and General Code Provisions" is hereby amended to read as follows:

3 **31-1-3. Types of vehicles.**

4 (a) (1) "Antique motor car" means any motor vehicle that is more than twenty-five (25)
5 years old. Unless fully inspected and meeting inspection requirements, the vehicle may be
6 maintained solely for use in exhibitions, club activities, parades, and other functions of public
7 interest. The vehicle may also be used for limited enjoyment and purposes other than the
8 previously mentioned activities, but may not be used primarily for the transportation of
9 passengers or goods over any public highway.

10 (2) After the vehicle has met the requirements of state inspection, a registration plate may
11 be issued to it on payment of the standard fee. The vehicle may be operated on the highways of
12 this and other states, and may, in addition to the registration plate, retain the designation "antique"
13 and display an "antique plate".

14 (3) For any vehicle that is more than twenty-five (25) years old, the division of motor
15 vehicles may also issue or approve, subject to rules and regulations that may be promulgated by
16 the administrator, a "year of manufacture plate" for the vehicle that is an exact replica plate
17 designating the exact year of manufacture of the vehicle.

18 (b) (1) "Antique motorcycle" means any motorcycle that is more than twenty-five (25)
19 years old. Unless fully inspected and meeting inspection requirements, the vehicle shall be

1 maintained solely for use in exhibitions, club activities, parades, and other functions of public
2 interest. The vehicle may also be used for limited enjoyment and purposes other than the
3 previously mentioned activities, but may not be used primarily for the transportation of
4 passengers or goods over any public highway; and

5 (2) After the vehicle has met the requirements of state inspection, a registration plate may
6 be issued to it, on payment of the standard fee, and the vehicle may be operated on the highways
7 of this and other states, and may, in addition to the registration plate, retain the designation
8 "antique" and display an "antique plate".

9 (c) "Authorized emergency vehicle" means vehicles of the fire department (fire patrol);
10 police vehicles; vehicles used by Rhode Island state marshals in the department of corrections;
11 vehicles used by the state bomb squad within the division of state fire marshal; vehicles of
12 municipal departments or public service corporations designated or authorized by the
13 administrator as ambulances and emergency vehicles; and privately owned motor vehicles of
14 volunteer firefighters or privately owned motor vehicles of volunteer ambulance drivers or
15 attendants, as authorized by the department chief or commander and permitted by the Rhode
16 Island Association of Fire Chiefs and Rhode Island Association of Police Chiefs Joint Committee
17 for Volunteer Warning Light Permits.

18 (d) "Automobile" means, for registration purposes, every motor vehicle [including any](#)
19 [pickup truck having a gross weight of eight-thousand eight hundred pounds \(8,800 lbs.\) or less](#)
20 [and used for personal noncommercial use](#), carrying passengers other than for hire.

21 (e) "Bicycle" means every vehicle having two (2) tandem wheels, except scooters and
22 similar devices, propelled exclusively by human power, and upon which a person may ride.

23 (f) "Camping recreational vehicle" means a vehicular type camping unit, certified by the
24 manufacturer as complying with ANSI A119.2 Standards, designed primarily as temporary living
25 quarters for recreation that has either its own motor power or is mounted on, or towed by, another
26 vehicle. The basic units are tent trailers, fifth-wheel trailers, motorized campers, travel trailers,
27 and pick-up campers.

28 (g) "Electric motorized bicycles" means a motorized bicycle that may be propelled by
29 human power or electric motor power, or by both, with an electric motor rated not more than two
30 (2) (S.A.E.) horsepower, that is capable of a maximum speed of not more than twenty-five (25)
31 miles per hour.

32 (h) "Electric personal assistive mobility device" ("EPAMD") is a self-balancing, non-
33 tandem two-wheeled (2) device, designed to transport only one person, with an electric
34 propulsion system that limits the maximum speed of the device to fifteen (15) miles per hour.

1 (i) Fifth-wheel trailer: A towable recreational vehicle, not exceeding four hundred (400)
2 square feet in area, designed to be towed by a motorized vehicle that contains a towing
3 mechanism that is mounted above or forward of the tow vehicle's rear axle and that is eligible to
4 be registered for highway use.

5 (j) "Hearse" means every motor vehicle used for transporting human corpses. A hearse
6 shall be considered an automobile for registration purposes.

7 (k) "Jitney or bus" means: (1) A "public bus" that includes every motor vehicle, trailer,
8 semi-trailer, tractor trailer, or tractor trailer combination, used for the transportation of passengers
9 for hire, and operated wholly or in part upon any street or highway as a means of transportation
10 similar to that afforded by a street railway company, by indiscriminately receiving or discharging
11 passengers, or running on a regular route or over any portion of one, or between fixed termini; or
12 (2) A "private bus" that includes every motor vehicle other than a public bus or passenger van
13 designed for carrying more than ten (10) passengers and used for the transportation of persons,
14 and every motor vehicle other than a taxicab designed and used for the transportation of persons
15 for compensation.

16 (l) "Motorcycle" means only those motor vehicles having not more than three (3) wheels
17 in contact with the ground and a saddle on which the driver sits astride, except bicycles with
18 helper motors as defined in subsection (n) of this section.

19 (m) "Motor-driven cycle" means every motorcycle, including every motor scooter, with a
20 motor of no greater than five (5) horsepower, except bicycles with helper motors as defined in
21 subsection (n) of this section.

22 (n) "Motorized bicycles" means two-wheel (2) vehicles that may be propelled by human
23 power or helper power, or by both, with a motor rated not more than four and nine-tenths (4.9)
24 horsepower and not greater than fifty (50) cubic centimeters, that are capable of a maximum
25 speed of not more than thirty (30) miles per hour.

26 (o) Motorized camper: A camping recreational vehicle, built on, or permanently attached
27 to, a self-propelled motor vehicle chassis cab or van that is an integral part of the completed
28 vehicle.

29 (p) "Motorized tricycles" means tricycles that may be propelled by human power or
30 helper motor, or by both, with a motor rated no more than 1.5 brake horsepower that is capable of
31 a maximum speed of not more than thirty (30) miles per hour.

32 (q) "Motorized wheelchair" means any self-propelled vehicle, designed for, and used by,
33 a person with a disability that is incapable of speed in excess of eight (8) miles per hour.

34 (r) "Motor scooter" means a motor-driven cycle with a motor rated not more than four

1 and nine-tenths (4.9) horsepower and not greater than fifty (50) cubic centimeters that is capable
2 of a maximum speed of not more than thirty (30) miles per hour.

3 (s) "Motor vehicle" means every vehicle that is self-propelled or propelled by electric
4 power obtained from overhead trolley wires, but not operated upon rails, except vehicles moved
5 exclusively by human power, an EPAMD and electric motorized bicycles as defined in subsection
6 (g) of this section, and motorized wheelchairs.

7 (t) "Motor vehicle for hire" means every motor vehicle other than jitneys, public buses,
8 hearses, and motor vehicles used chiefly in connection with the conduct of funerals, to transport
9 persons for compensation in any form, or motor vehicles rented for transporting persons either
10 with or without furnishing an operator.

11 (u) Park trailer: A camping recreational vehicle that is eligible to be registered for
12 highway use and meets the following criteria: (1) Built on a single chassis mounted on wheels;
13 and (2) Certified by the manufacturer as complying with ANSI A119.5.

14 (v) "Passenger van" means every motor vehicle capable of carrying ten (10) to fourteen
15 (14) passengers plus an operator and used for personal use or on a not-for-hire basis. Passenger
16 vans may be used for vanpools, transporting passengers to and from work locations, provided that
17 the operator receives no remuneration other than free use of the vehicle.

18 (w) "Pedal carriages" (also known as "quadricycles") means a nonmotorized bicycle with
19 four (4) or more wheels operated by one or more persons for the purpose of, or capable of,
20 transporting additional passengers in seats or on a platform made a part of or otherwise attached
21 to the pedal carriage. The term shall not include a bicycle with trainer or beginner wheels affixed
22 to it, nor shall it include a wheelchair or other vehicle with the purpose of operation by or for the
23 transportation of a handicapped person, nor shall it include a tricycle built for a child or an adult
24 with a seat for only one operator and no passenger.

25 (x) "Pick-up camper": A camping recreational vehicle consisting of a roof, floor, and
26 sides designed to be loaded onto and unloaded from the back of a pick-up truck.

27 (y) "Rickshaws" (also known as "pedi cabs") means a nonmotorized bicycle with three
28 (3) wheels operated by one person for the purpose of, or capable of, transporting additional
29 passengers in seats or on a platform made a part of, or otherwise attached to, the rickshaw. This
30 definition shall not include a bicycle built for two (2) where the operators are seated one behind
31 the other, nor shall it include the operation of a bicycle with trainer or beginner wheels affixed
32 thereto, nor shall it include a wheelchair or other vehicle with the purpose of operation by or for
33 the transportation of a handicapped person.

34 (z) "School bus" means every motor vehicle owned by a public or governmental agency,

1 when operated for the transportation of children to or from school; or privately owned, when
2 operated for compensation for the transportation of children to or from school.

3 (aa) "Suburban vehicle" means every motor vehicle with a convertible or interchangeable
4 body or with removable seats, usable for both passenger and delivery purposes, and including
5 motor vehicles commonly known as station or depot wagons or any vehicle into which access can
6 be gained through the rear by means of a hatch or trunk and where the rear seats can be folded
7 down to permit the carrying of articles as well as passengers.

8 (bb) "Tent trailer": A towable recreational vehicle that is mounted on wheels and
9 constructed with collapsible partial side walls that fold for towing by another vehicle and unfold
10 for use and that is eligible to be registered for highway use.

11 (cc) "Trackless trolley coach" means every motor vehicle that is propelled by electric
12 power obtained from overhead trolley wires, but not operated on rails.

13 (dd) Travel trailer: A towable recreational vehicle, not exceeding three hundred twenty
14 (320) square feet in area, designed to be towed by a motorized vehicle containing a towing
15 mechanism that is mounted behind the tow vehicle's bumper and that is eligible to be registered
16 for highway use.

17 (ee) "Vehicle" means every device in, upon, or by which any person or property is or may
18 be transported or drawn upon a highway, except devices used exclusively upon stationary rails or
19 tracks.

20 SECTION 2. Section 31-3-64 of the General Laws in Chapter 31-3 entitled "Registration
21 of Vehicles" is hereby amended to read as follows:

22 **31-3-64. Combination plates.**

23 (a) The administrator of the division of motor vehicles shall issue:

24 (1) For any motor vehicle eligible for registration as a commercial vehicle having a gross
25 weight of eight thousand eight hundred pounds (8,800 lbs.) or less, plates designated as
26 "combination" upon application and proper form furnished by the administrator of the division of
27 motor vehicles to applicants. The combination plates will allow those vehicles to drive for both
28 commercial and pleasure purposes; or

29 (2) For any motor vehicle eligible for registration as a commercial vehicle having a gross
30 weight over eight thousand eight hundred pounds (8,800 lbs.) up to eleven thousand eight
31 hundred pounds (11,800 lbs.) plates designated as "combination" upon application, proof of
32 ownership of a camping trailer, fifth-wheel camper trailer, travel trailer, or truck camper as
33 defined in § 31-1-3, and proper form furnished by the administrator of the division of motor
34 vehicles to applicants. The combination plates will allow those vehicles to drive for pleasure

1 purposes only.

2 (b) The fees for commercial vehicles registering for a combination plate shall be identical
3 to those established for other commercial vehicles of the same weight. A combination registration
4 transaction shall be considered a change to a new registration classification and not a plate change
5 transaction. A combination registration shall be renewable during the month of March each year.

6 (c) The administrator of the division of motor vehicles shall permit pickup trucks having
7 a gross weight of eight-thousand eight hundred pounds (8,800 lbs.) or less to be registered as an
8 automobile.

9 SECTION 3. Section 44-18-30 of the General Laws in Chapter 44-18 entitled "Sales and
10 Use Taxes - Liability and Computation" is hereby amended to read as follows:

11 **44-18-30. Gross receipts exempt from sales and use taxes.**

12 There are exempted from the taxes imposed by this chapter the following gross receipts:

13 (1) Sales and uses beyond constitutional power of state. From the sale and from the
14 storage, use, or other consumption in this state of tangible personal property the gross receipts
15 from the sale of which, or the storage, use, or other consumption of which, this state is prohibited
16 from taxing under the Constitution of the United States or under the constitution of this state.

17 (2) Newspapers.

18 (i) From the sale and from the storage, use, or other consumption in this state of any
19 newspaper.

20 (ii) "Newspaper" means an unbound publication printed on newsprint that contains news,
21 editorial comment, opinions, features, advertising matter, and other matters of public interest.

22 (iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or
23 similar item unless the item is printed for, and distributed as, a part of a newspaper.

24 (3) School meals. From the sale and from the storage, use, or other consumption in this
25 state of meals served by public, private, or parochial schools, school districts, colleges,
26 universities, student organizations, and parent-teacher associations to the students or teachers of a
27 school, college, or university whether the meals are served by the educational institutions or by a
28 food service or management entity under contract to the educational institutions.

29 (4) Containers.

30 (i) From the sale and from the storage, use, or other consumption in this state of:

31 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials that
32 are biodegradable and all bags and wrapping materials utilized in the medical and healing arts,
33 when sold without the contents to persons who place the contents in the container and sell the
34 contents with the container.

1 (B) Containers when sold with the contents if the sale price of the contents is not required
2 to be included in the measure of the taxes imposed by this chapter.

3 (C) Returnable containers when sold with the contents in connection with a retail sale of
4 the contents or when resold for refilling.

5 (ii) As used in this subdivision, the term "returnable containers" means containers of a
6 kind customarily returned by the buyer of the contents for reuse. All other containers are "non-
7 returnable containers".

8 (5) (i) Charitable, educational, and religious organizations. From the sale to, as in defined
9 in this section, and from the storage, use, and other consumption in this state, or any other state of
10 the United States of America, of tangible personal property by hospitals not operated for a profit;
11 "educational institutions" as defined in subdivision (18) not operated for a profit; churches,
12 orphanages, and other institutions or organizations operated exclusively for religious or charitable
13 purposes; interest-free loan associations not operated for profit; nonprofit, organized sporting
14 leagues and associations and bands for boys and girls under the age of nineteen (19) years; the
15 following vocational student organizations that are state chapters of national vocational students
16 organizations: Distributive Education Clubs of America (DECA); Future Business Leaders of
17 America, Phi Beta Lambda (FBLA/PBL); Future Farmers of America (FFA); Future
18 Homemakers of America/Home Economics Related Occupations (FHA/HERD); Vocational
19 Industrial Clubs of America (VICA); organized nonprofit golden age and senior citizens clubs for
20 men and women; and parent-teacher associations; and from the sale, storage, use, and other
21 consumption in this state, of and by the Industrial Foundation of Burrillville, a Rhode Island
22 domestic nonprofit corporation.

23 (ii) In the case of contracts entered into with the federal government, its agencies, or
24 instrumentalities, this state, or any other state of the United States of America, its agencies, any
25 city, town, district, or other political subdivision of the states; hospitals not operated for profit;
26 educational institutions not operated for profit; churches, orphanages, and other institutions or
27 organizations operated exclusively for religious or charitable purposes, the contractor may
28 purchase such materials and supplies (materials and/or supplies are defined as those that are
29 essential to the project) that are to be utilized in the construction of the projects being performed
30 under the contracts without payment of the tax.

31 (iii) The contractor shall not charge any sales or use tax to any exempt agency,
32 institution, or organization but shall in that instance provide his or her suppliers with certificates
33 in the form as determined by the division of taxation showing the reason for exemption and the
34 contractor's records must substantiate the claim for exemption by showing the disposition of all

1 property so purchased. If any property is then used for a nonexempt purpose, the contractor must
2 pay the tax on the property used.

3 (6) Gasoline. From the sale and from the storage, use, or other consumption in this state
4 of: (i) gasoline and other products taxed under chapter 36 of title 31 and (ii) fuels used for the
5 propulsion of airplanes.

6 (7) Purchase for manufacturing purposes.

7 (i) From the sale and from the storage, use, or other consumption in this state of computer
8 software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration,
9 and water, when the property or service is purchased for the purpose of being manufactured into a
10 finished product for resale and becomes an ingredient, component, or integral part of the
11 manufactured, compounded, processed, assembled, or prepared product, or if the property or
12 service is consumed in the process of manufacturing for resale computer software, tangible
13 personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

14 (ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the
15 property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

16 (iii) "Consumed" includes mere obsolescence.

17 (iv) "Manufacturing" means and includes: manufacturing, compounding, processing,
18 assembling, preparing, or producing.

19 (v) "Process of manufacturing" means and includes all production operations performed
20 in the producing or processing room, shop, or plant, insofar as the operations are a part of and
21 connected with the manufacturing for resale of tangible personal property, electricity, natural gas,
22 artificial gas, steam, refrigeration, or water and all production operations performed insofar as the
23 operations are a part of and connected with the manufacturing for resale of computer software.

24 (vi) "Process of manufacturing" does not mean or include administration operations such
25 as general office operations, accounting, collection, or sales promotion, nor does it mean or
26 include distribution operations that occur subsequent to production operations, such as handling,
27 storing, selling, and transporting the manufactured products, even though the administration and
28 distribution operations are performed by, or in connection with, a manufacturing business.

29 (8) State and political subdivisions. From the sale to, and from the storage, use, or other
30 consumption by, this state, any city, town, district, or other political subdivision of this state.
31 Every redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a
32 subdivision of the municipality where it is located.

33 (9) Food and food ingredients. From the sale and storage, use, or other consumption in
34 this state of food and food ingredients as defined in § 44-18-7.1(l).

1 For the purposes of this exemption "food and food ingredients" shall not include candy,
2 soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending
3 machines, or prepared food, as those terms are defined in § 44-18-7.1, unless the prepared food is:

4 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,
5 except sub-sector 3118 (bakeries);

6 (ii) Sold in an unheated state by weight or volume as a single item;

7 (iii) Bakery items, including: bread, rolls, buns, biscuits, bagels, croissants, pastries,
8 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and

9 is not sold with utensils provided by the seller, including: plates, knives, forks, spoons,
10 glasses, cups, napkins, or straws.

11 (10) Medicines, drugs, and durable medical equipment. From the sale and from the
12 storage, use, or other consumption in this state, of:

13 (i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and
14 insulin whether or not sold on prescription. For purposes of this exemption drugs shall not
15 include over-the-counter drugs and grooming and hygiene products as defined in § 44-18-
16 7.1(h)(iii).

17 (ii) Durable medical equipment as defined in § 44-18-7.1(k) for home use only,
18 including, but not limited to: syringe infusers, ambulatory drug delivery pumps, hospital beds,
19 convalescent chairs, and chair lifts. Supplies used in connection with syringe infusers and
20 ambulatory drug delivery pumps that are sold on prescription to individuals to be used by them to
21 dispense or administer prescription drugs, and related ancillary dressings and supplies used to
22 dispense or administer prescription drugs, shall also be exempt from tax.

23 (11) Prosthetic devices and mobility enhancing equipment. From the sale and from the
24 storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t),
25 sold on prescription, including, but not limited to: artificial limbs, dentures, spectacles,
26 eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on
27 prescription; and mobility enhancing equipment as defined in § 44-18-7.1(p), including
28 wheelchairs, crutches and canes.

29 (12) Coffins, caskets, and burial garments. From the sale and from the storage, use, or
30 other consumption in this state of coffins or caskets, and shrouds or other burial garments that are
31 ordinarily sold by a funeral director as part of the business of funeral directing.

32 (13) Motor vehicles sold to nonresidents.

33 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide
34 nonresident of this state who does not register the motor vehicle in this state, whether the sale or

1 delivery of the motor vehicle is made in this state or at the place of residence of the nonresident.
2 A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like
3 exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20. In that event,
4 the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that
5 would be imposed in his or her state of residence not to exceed the rate that would have been
6 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed motor vehicle
7 dealer shall add and collect the tax required under this subdivision and remit the tax to the tax
8 administrator under the provisions of chapters 18 and 19 of this title. When a Rhode Island
9 licensed, motor vehicle dealer is required to add and collect the sales and use tax on the sale of a
10 motor vehicle to a bona fide nonresident as provided in this section, the dealer in computing the
11 tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of
12 motor vehicles.

13 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
14 require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents as the
15 tax administrator deems reasonably necessary to substantiate the exemption provided in this
16 subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of the
17 motor vehicle was the holder of, and had in his or her possession a valid out-of-state motor
18 vehicle registration or a valid out-of-state driver's license.

19 (iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days of
20 the date of its sale to him or her is deemed to have purchased the motor vehicle for use, storage,
21 or other consumption in this state, and is subject to, and liable for, the use tax imposed under the
22 provisions of § 44-18-20.

23 (14) Sales in public buildings by blind people. From the sale and from the storage, use, or
24 other consumption in all public buildings in this state of all products or wares by any person
25 licensed under § 40-9-11.1.

26 (15) Air and water pollution control facilities. From the sale, storage, use, or other
27 consumption in this state of tangible personal property or supplies acquired for incorporation into
28 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the
29 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12
30 of title 46 and chapter 25 of title 23, respectively, and that has been certified as approved for that
31 purpose by the director of environmental management. The director of environmental
32 management may certify to a portion of the tangible personal property or supplies acquired for
33 incorporation into those facilities or used and consumed in the operation of those facilities to the
34 extent that that portion has as its primary purpose the control of the pollution or contamination of

1 the waters or air of this state. As used in this subdivision, "facility" means any land, facility,
2 device, building, machinery, or equipment.

3 (16) Camps. From the rental charged for living quarters, or sleeping, or housekeeping
4 accommodations at camps or retreat houses operated by religious, charitable, educational, or
5 other organizations and associations mentioned in subsection (5), or by privately owned and
6 operated summer camps for children.

7 (17) Certain institutions. From the rental charged for living or sleeping quarters in an
8 institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

9 (18) Educational institutions. From the rental charged by any educational institution for
10 living quarters, or sleeping, or housekeeping accommodations or other rooms or accommodations
11 to any student or teacher necessitated by attendance at an educational institution. "Educational
12 institution" as used in this section means an institution of learning not operated for profit that is
13 empowered to confer diplomas, educational, literary, or academic degrees; that has a regular
14 faculty, curriculum, and organized body of pupils or students in attendance throughout the usual
15 school year; that keeps and furnishes to students and others records required and accepted for
16 entrance to schools of secondary, collegiate, or graduate rank; and no part of the net earnings of
17 which inures to the benefit of any individual.

18 (19) Motor vehicle and adaptive equipment for persons with disabilities.

19 (i) From the sale of: (A) Special adaptations; (B) The component parts of the special
20 adaptations; or (C) A specially adapted motor vehicle; provided that the owner furnishes to the
21 tax administrator an affidavit of a licensed physician to the effect that the specially adapted motor
22 vehicle is necessary to transport a family member with a disability or where the vehicle has been
23 specially adapted to meet the specific needs of the person with a disability. This exemption
24 applies to not more than one motor vehicle owned and registered for personal, noncommercial
25 use.

26 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not
27 limited to: wheelchair lifts, wheelchair carriers, wheelchair ramps, wheelchair securements, hand
28 controls, steering devices, extensions, relocations, and crossovers of operator controls, power-
29 assisted controls, raised tops or dropped floors, raised entry doors, or alternative signaling devices
30 to auditory signals.

31 (iii) From the sale of: (a) Special adaptations, (b) The component parts of the special
32 adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1, and/or a "wheelchair
33 accessible public motor vehicle" as defined in § 39-14.1-1.

34 (iv) For the purpose of this subdivision the exemption for a "specially adapted motor

1 vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due
2 on the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the
3 special adaptations, including installation.

4 (20) Heating fuels. From the sale and from the storage, use, or other consumption in this
5 state of every type of heating fuel.

6 (21) Electricity and gas. From the sale and from the storage, use, or other consumption in
7 this state of electricity and gas.

8 (22) Manufacturing machinery and equipment.

9 (i) From the sale and from the storage, use, or other consumption in this state of tools,
10 dies, molds, machinery, equipment (including replacement parts), and related items to the extent
11 used in an industrial plant in connection with the actual manufacture, conversion, or processing of
12 tangible personal property, or to the extent used in connection with the actual manufacture,
13 conversion, or processing of computer software as that term is utilized in industry numbers 7371,
14 7372, and 7373 in the standard industrial classification manual prepared by the Technical
15 Committee on Industrial Classification, Office of Statistical Standards, Executive Office of the
16 President, United States Bureau of the Budget, as revised from time to time, to be sold, or that
17 machinery and equipment used in the furnishing of power to an industrial manufacturing plant.
18 For the purposes of this subdivision, "industrial plant" means a factory at a fixed location
19 primarily engaged in the manufacture, conversion, or processing of tangible personal property to
20 be sold in the regular course of business;

21 (ii) Machinery and equipment and related items are not deemed to be used in connection
22 with the actual manufacture, conversion, or processing of tangible personal property, or in
23 connection with the actual manufacture, conversion, or processing of computer software as that
24 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification
25 manual prepared by the Technical Committee on Industrial Classification, Office of Statistical
26 Standards, Executive Office of the President, United States Bureau of the Budget, as revised from
27 time to time, to be sold to the extent the property is used in administration or distribution
28 operations;

29 (iii) Machinery and equipment and related items used in connection with the actual
30 manufacture, conversion, or processing of any computer software or any tangible personal
31 property that is not to be sold and that would be exempt under subdivision (7) or this subdivision
32 if purchased from a vendor or machinery and equipment and related items used during any
33 manufacturing, converting, or processing function is exempt under this subdivision even if that
34 operation, function, or purpose is not an integral or essential part of a continuous production flow

1 or manufacturing process;

2 (iv) Where a portion of a group of portable or mobile machinery is used in connection
3 with the actual manufacture, conversion, or processing of computer software or tangible personal
4 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under
5 this subdivision even though the machinery in that group is used interchangeably and not
6 otherwise identifiable as to use.

7 (23) Trade-in value of motor vehicles. From the sale and from the storage, use, or other
8 consumption in this state of so much of the purchase price paid for a new or used automobile as is
9 allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of
10 the proceeds applicable only to the automobile as are received from the manufacturer of
11 automobiles for the repurchase of the automobile whether the repurchase was voluntary or not
12 towards the purchase of a new or used automobile by the buyer. For the purpose of this
13 subdivision, the word "automobile" means a private passenger automobile not used for hire, or a
14 motor vehicle having a gross weight of eight-thousand eight hundred pounds (8,800 lbs.) or less
15 and used for commercial and/or pleasure purposes, and does not refer to any other type of motor
16 vehicle.

17 (24) Precious metal bullion.

18 (i) From the sale and from the storage, use, or other consumption in this state of precious
19 metal bullion, substantially equivalent to a transaction in securities or commodities.

20 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary
21 precious metal that has been put through a process of smelting or refining, including, but not
22 limited to: gold, silver, platinum, rhodium, and chromium, and that is in a state or condition that
23 its value depends upon its content and not upon its form.

24 (iii) The term does not include fabricated precious metal that has been processed or
25 manufactured for some one or more specific and customary industrial, professional, or artistic
26 uses.

27 (25) Commercial vessels. From sales made to a commercial ship, barge, or other vessel of
28 fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the
29 repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use
30 of the vessels including provisions, supplies, and material for the maintenance and/or repair of the
31 vessels.

32 (26) Commercial fishing vessels. From the sale and from the storage, use, or other
33 consumption in this state of vessels and other watercraft that are in excess of five (5) net tons and
34 that are used exclusively for "commercial fishing", as defined in this subdivision, and from the

1 repair, alteration, or conversion of those vessels and other watercraft, and from the sale of
2 property purchased for the use of those vessels and other watercraft including provisions,
3 supplies, and material for the maintenance and/or repair of the vessels and other watercraft and
4 the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection
5 with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means
6 taking or attempting to take any fish, shellfish, crustacea, or bait species with the intent of
7 disposing of it for profit or by sale, barter, trade, or in commercial channels. The term does not
8 include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport
9 fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat
10 license issued by the department of environmental management pursuant to § 20-2-27.1 that meet
11 the following criteria: (i) The operator must have a current U.S.C.G. license to carry passengers
12 for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii) U.S.C.G. vessel
13 documentation as to proof of Rhode Island home port status or a Rhode Island boat registration to
14 prove Rhode Island home port status; and (iv) The vessel must be used as a commercial passenger
15 carrying fishing vessel to carry passengers for fishing. The vessel must be able to demonstrate
16 that at least fifty percent (50%) of its annual gross income derives from charters or provides
17 documentation of a minimum of one hundred (100) charter trips annually; and (v) The vessel
18 must have a valid Rhode Island party and charter boat license. The tax administrator shall
19 implement the provisions of this subdivision by promulgating rules and regulations relating
20 thereto.

21 (27) Clothing and footwear. From the sales of articles of clothing, including footwear,
22 intended to be worn or carried on or about the human body for sales prior to October 1, 2012.
23 Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including
24 footwear, intended to be worn or carried on or about the human body up to two hundred and fifty
25 dollars (\$250) of the sales price per item. For the purposes of this section, "clothing or footwear"
26 does not include clothing accessories or equipment or special clothing or footwear primarily
27 designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f).
28 In recognition of the work being performed by the streamlined sales and use tax governing board,
29 upon passage of any federal law that authorizes states to require remote sellers to collect and
30 remit sales and use taxes, this unlimited exemption will apply as it did prior to October 1, 2012.
31 The unlimited exemption on sales of clothing and footwear shall take effect on the date that the
32 state requires remote sellers to collect and remit sales and use taxes.

33 (28) Water for residential use. From the sale and from the storage, use, or other
34 consumption in this state of water furnished for domestic use by occupants of residential

1 premises.

2 (29) Bibles. [Unconstitutional; see *Ahlburn v. Clark*, 728 A.2d 449 (R.I. 1999); see Notes
3 to Decisions.] From the sale and from the storage, use, or other consumption in the state of any
4 canonized scriptures of any tax-exempt nonprofit religious organization including, but not limited
5 to, the Old Testament and the New Testament versions.

6 (30) Boats.

7 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not
8 register the boat or vessel in this state or document the boat or vessel with the United States
9 government at a home port within the state, whether the sale or delivery of the boat or vessel is
10 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty
11 (30) days after delivery by the seller outside the state for use thereafter solely outside the state.

12 (ii) The tax administrator, in addition to the provisions of §§ 44-19-17 and 44-19-28, may
13 require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the
14 tax administrator deems reasonably necessary to substantiate the exemption provided in this
15 subdivision, including the affidavit of the seller that the buyer represented himself or herself to be
16 a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

17 (31) Youth activities equipment. From the sale, storage, use, or other consumption in this
18 state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island
19 eleemosynary organizations, for the purposes of youth activities that the organization is formed to
20 sponsor and support; and by accredited elementary and secondary schools for the purposes of the
21 schools or of organized activities of the enrolled students.

22 (32) Farm equipment. From the sale and from the storage or use of machinery and
23 equipment used directly for commercial farming and agricultural production; including, but not
24 limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,
25 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,
26 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and
27 other farming equipment, including replacement parts appurtenant to or used in connection with
28 commercial farming and tools and supplies used in the repair and maintenance of farming
29 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or
30 the production within this state of agricultural products, including, but not limited to, field or
31 orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or
32 production provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to
33 the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued
34 prior to July 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2)

1 levels. Level I shall be based on proof of annual, gross sales from commercial farming of at least
2 twenty-five hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption
3 provided in this subdivision except for motor vehicles with an excise tax value of five thousand
4 dollars (\$5,000) or greater. Level II shall be based on proof of annual gross sales from
5 commercial farming of at least ten thousand dollars (\$10,000) or greater and shall be valid for
6 purchases subject to the exemption provided in this subdivision including motor vehicles with an
7 excise tax value of five thousand dollars (\$5,000) or greater. For the initial issuance of the
8 exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be
9 required for the prior year; for any renewal of an exemption granted in accordance with this
10 subdivision at either level I or level II, proof of gross annual sales from commercial farming at
11 the requisite amount shall be required for each of the prior two (2) years. Certificates of
12 exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption
13 and be valid for four (4) years after the date of issue. This exemption applies even if the same
14 equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-
15 agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the
16 vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for registration displaying
17 farm plates as provided for in § 31-3-31.

18 (33) Compressed air. From the sale and from the storage, use, or other consumption in the
19 state of compressed air.

20 (34) Flags. From the sale and from the storage, consumption, or other use in this state of
21 United States, Rhode Island or POW-MIA flags.

22 (35) Motor vehicle and adaptive equipment to certain veterans. From the sale of a motor
23 vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or
24 the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether
25 service connected or not. The motor vehicle must be purchased by and especially equipped for
26 use by the qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under
27 rules or regulations that the tax administrator may prescribe.

28 (36) Textbooks. From the sale and from the storage, use, or other consumption in this
29 state of textbooks by an "educational institution", as defined in subsection (18) of this section,
30 and any educational institution within the purview of § 16-63-9(4), and used textbooks by any
31 purveyor.

32 (37) Tangible personal property and supplies used in on-site hazardous waste recycling,
33 reuse, or treatment. From the sale, storage, use, or other consumption in this state of tangible
34 personal property or supplies used or consumed in the operation of equipment, the exclusive

1 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as
2 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as
3 defined in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the
4 same taxpayer and where the personal property is located at, in, or adjacent to a generating
5 facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the director of
6 the department of environmental management certifying that the equipment and/or supplies as
7 used or consumed, qualify for the exemption under this subdivision. If any information relating to
8 secret processes or methods of manufacture, production, or treatment is disclosed to the
9 department of environmental management only to procure an order, and is a "trade secret" as
10 defined in § 28-21-10(b), it is not open to public inspection or publicly disclosed unless
11 disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

12 (38) Promotional and product literature of boat manufacturers. From the sale and from
13 the storage, use, or other consumption of promotional and product literature of boat
14 manufacturers shipped to points outside of Rhode Island that either: (i) Accompany the product
15 that is sold; (ii) Are shipped in bulk to out-of-state dealers for use in the sale of the product; or
16 (iii) Are mailed to customers at no charge.

17 (39) Food items paid for by food stamps. From the sale and from the storage, use, or
18 other consumption in this state of eligible food items payment for which is properly made to the
19 retailer in the form of U.S. government food stamps issued in accordance with the Food Stamp
20 Act of 1977, 7 U.S.C. § 2011 et seq.

21 (40) Transportation charges. From the sale or hiring of motor carriers as defined in § 39-
22 12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed
23 with the Rhode Island public utilities commission on the number of miles driven or by the
24 number of hours spent on the job.

25 (41) Trade-in value of boats. From the sale and from the storage, use, or other
26 consumption in this state of so much of the purchase price paid for a new or used boat as is
27 allocated for a trade-in allowance on the boat of the buyer given in trade to the seller or of the
28 proceeds applicable only to the boat as are received from an insurance claim as a result of a stolen
29 or damaged boat, towards the purchase of a new or used boat by the buyer.

30 (42) Equipment used for research and development. From the sale and from the storage,
31 use, or other consumption of equipment to the extent used for research and development purposes
32 by a qualifying firm. For the purposes of this subsection, "qualifying firm" means a business for
33 which the use of research and development equipment is an integral part of its operation and
34 "equipment" means scientific equipment, computers, software, and related items.

1 (43) Coins. From the sale and from the other consumption in this state of coins having
2 numismatic or investment value.

3 (44) Farm structure construction materials. Lumber, hardware, and other materials used
4 in the new construction of farm structures, including production facilities such as, but not limited
5 to: farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying
6 houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing
7 rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and
8 trench silos, feed storage sheds, and any other structures used in connection with commercial
9 farming.

10 (45) Telecommunications carrier access service. Carrier access service or
11 telecommunications service when purchased by a telecommunications company from another
12 telecommunications company to facilitate the provision of telecommunications service.

13 (46) Boats or vessels brought into the state exclusively for winter storage, maintenance,
14 repair, or sale. Notwithstanding the provisions of §§ 44-18-10, 44-18-11 and 44-18-20, the tax
15 imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in
16 any year up to and including the 30th day of April next succeeding with respect to the use of any
17 boat or vessel within this state exclusively for purposes of: (i) Delivery of the vessel to a facility
18 in this state for storage, including dry storage and storage in water by means of apparatus
19 preventing ice damage to the hull, maintenance, or repair; (ii) The actual process of storage,
20 maintenance, or repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or
21 vessel.

22 (47) Jewelry display product. From the sale and from the storage, use, or other
23 consumption in this state of tangible personal property used to display any jewelry product;
24 provided that title to the jewelry display product is transferred by the jewelry manufacturer or
25 seller and that the jewelry display product is shipped out of state for use solely outside the state
26 and is not returned to the jewelry manufacturer or seller.

27 (48) Boats or vessels generally. Notwithstanding the provisions of this chapter, the tax
28 imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage,
29 use, or other consumption in this state of any new or used boat. The exemption provided for in
30 this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal
31 ten percent (10%) surcharge on luxury boats is repealed.

32 (49) Banks and regulated investment companies interstate toll-free calls. Notwithstanding
33 the provisions of this chapter, the tax imposed by this chapter does not apply to the furnishing of
34 interstate and international, toll-free terminating telecommunication service that is used directly

1 and exclusively by or for the benefit of an eligible company as defined in this subdivision;
2 provided that an eligible company employs on average during the calendar year no less than five
3 hundred (500) "full-time equivalent employees" as that term is defined in § 42-64.5-2. For
4 purposes of this section, an "eligible company" means a "regulated investment company" as that
5 term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 1 et seq., or a corporation to
6 the extent the service is provided, directly or indirectly, to or on behalf of a regulated investment
7 company, an employee benefit plan, a retirement plan or a pension plan, or a state-chartered bank.

8 (50) Mobile and manufactured homes generally. From the sale and from the storage, use,
9 or other consumption in this state of mobile and/or manufactured homes as defined and subject to
10 taxation pursuant to the provisions of chapter 44 of title 31.

11 (51) Manufacturing business reconstruction materials.

12 (i) From the sale and from the storage, use, or other consumption in this state of lumber,
13 hardware, and other building materials used in the reconstruction of a manufacturing business
14 facility that suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any
15 occurrence, natural or otherwise, that results in the destruction of sixty percent (60%) or more of
16 an operating manufacturing business facility within this state. "Disaster" does not include any
17 damage resulting from the willful act of the owner of the manufacturing business facility.

18 (ii) Manufacturing business facility includes, but is not limited to, the structures housing
19 the production and administrative facilities.

20 (iii) In the event a manufacturer has more than one manufacturing site in this state, the
21 sixty percent (60%) provision applies to the damages suffered at that one site.

22 (iv) To the extent that the costs of the reconstruction materials are reimbursed by
23 insurance, this exemption does not apply.

24 (52) Tangible personal property and supplies used in the processing or preparation of
25 floral products and floral arrangements. From the sale, storage, use, or other consumption in this
26 state of tangible personal property or supplies purchased by florists, garden centers, or other like
27 producers or vendors of flowers, plants, floral products, and natural and artificial floral
28 arrangements that are ultimately sold with flowers, plants, floral products, and natural and
29 artificial floral arrangements or are otherwise used in the decoration, fabrication, creation,
30 processing, or preparation of flowers, plants, floral products, or natural and artificial floral
31 arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral
32 product, or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine,
33 flower food, insecticide and fertilizers.

34 (53) Horse food products. From the sale and from the storage, use, or other consumption

1 in this state of horse food products purchased by a person engaged in the business of the boarding
2 of horses.

3 (54) Non-motorized recreational vehicles sold to nonresidents.

4 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to
5 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle
6 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this
7 state or at the place of residence of the nonresident; provided that a non-motorized recreational
8 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption
9 to its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in
10 that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the
11 rate that would be imposed in his or her state of residence not to exceed the rate that would have
12 been imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed, non-
13 motorized recreational vehicle dealer shall add and collect the tax required under this subdivision
14 and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title.
15 Provided, that when a Rhode Island licensed, non-motorized recreational vehicle dealer is
16 required to add and collect the sales and use tax on the sale of a non-motorized recreational
17 vehicle to a bona fide nonresident as provided in this section, the dealer in computing the tax
18 takes into consideration the law of the state of the nonresident as it relates to the trade-in of motor
19 vehicles.

20 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
21 require any licensed, non-motorized recreational vehicle dealer to keep records of sales to bona
22 fide nonresidents as the tax administrator deems reasonably necessary to substantiate the
23 exemption provided in this subdivision, including the affidavit of a licensed, non-motorized
24 recreational vehicle dealer that the purchaser of the non-motorized recreational vehicle was the
25 holder of, and had in his or her possession a valid out-of-state non-motorized recreational vehicle
26 registration or a valid out-of-state driver's license.

27 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state
28 within ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-
29 motorized recreational vehicle for use, storage, or other consumption in this state, and is subject
30 to, and liable for, the use tax imposed under the provisions of § 44-18-20.

31 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and
32 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use
33 that is eligible to be registered for highway use, including, but not limited to, "pick-up coaches"
34 or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1

1 of title 31.

2 (55) Sprinkler and fire alarm systems in existing buildings. From the sale in this state of
3 sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials
4 necessary and attendant to the installation of those systems that are required in buildings and
5 occupancies existing therein in July 2003 in order to comply with any additional requirements for
6 such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003
7 and that are not required by any other provision of law or ordinance or regulation adopted
8 pursuant to that act. The exemption provided in this subdivision shall expire on December 31,
9 2008.

10 (56) Aircraft. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-
11 18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other
12 consumption in this state of any new or used aircraft or aircraft parts.

13 (57) Renewable energy products. Notwithstanding any other provisions of Rhode Island
14 general laws, the following products shall also be exempt from sales tax: solar photovoltaic
15 modules or panels, or any module or panel that generates electricity from light; solar thermal
16 collectors, including, but not limited to, those manufactured with flat glass plates, extruded
17 plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-
18 water and water-to-air type pumps; wind turbines; towers used to mount wind turbines if
19 specified by or sold by a wind turbine manufacturer; DC to AC inverters that interconnect with
20 utility power lines; and manufactured mounting racks and ballast pans for solar collector, module,
21 or panel installation. Not to include materials that could be fabricated into such racks; monitoring
22 and control equipment, if specified or supplied by a manufacturer of solar thermal, solar
23 photovoltaic, geothermal, or wind energy systems or if required by law or regulation for such
24 systems but not to include pumps, fans or plumbing or electrical fixtures unless shipped from the
25 manufacturer affixed to, or an integral part of, another item specified on this list; and solar storage
26 tanks that are part of a solar domestic hot water system or a solar space heating system. If the tank
27 comes with an external heat exchanger it shall also be tax exempt, but a standard hot water tank is
28 not exempt from state sales tax.

29 (58) Returned property. The amount charged for property returned by customers upon
30 rescission of the contract of sale when the entire amount exclusive of handling charges paid for
31 the property is refunded in either cash or credit, and where the property is returned within one
32 hundred twenty (120) days from the date of delivery.

33 (59) Dietary supplements. From the sale and from the storage, use, or other consumption
34 of dietary supplements as defined in § 44-18-7.1(l)(v), sold on prescriptions.

1 (60) Blood. From the sale and from the storage, use, or other consumption of human
2 blood.

3 (61) Agricultural products for human consumption. From the sale and from the storage,
4 use, or other consumption of livestock and poultry of the kinds of products that ordinarily
5 constitute food for human consumption and of livestock of the kind the products of which
6 ordinarily constitutes fibers for human use.

7 (62) Diesel emission control technology. From the sale and use of diesel retrofit
8 technology that is required by § 31-47.3-4.

9 (63) Feed for certain animals used in commercial farming. From the sale of feed for
10 animals as described in subsection (61) of this section.

11 (64) Alcoholic beverages. From the sale and storage, use, or other consumption in this
12 state by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and
13 malt beverages; provided, further, notwithstanding § 6-13-1 or any other general or public law to
14 the contrary, alcoholic beverages, as defined in § 44-18-7.1, shall not be subject to minimum
15 markup.

16 (65) Seeds and plants used to grow food and food ingredients. From the sale, storage, use,
17 or other consumption in this state of seeds and plants used to grow food and food ingredients as
18 defined in § 44-18-7.1(1)(i). "Seeds and plants used to grow food and food ingredients" shall not
19 include marijuana seeds or plants.

20 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

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

1 This act would permit the registration of certain pickup trucks as automobiles and would
2 exempt the trade-in value of pickup trucks with eight-thousand eight hundred pounds (8,800 lbs.)
3 or less gross weight, used for commercial and/or pleasure purposes, from sales tax.

4 This act would take effect upon passage.

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