

2024 -- H 7931

LC005417

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO TAXATION -- SALES AND USE TAX HOLIDAY

Introduced By: Representatives J. Brien, Solomon, Chippendale, Noret, Newberry, and Baginski

Date Introduced: March 04, 2024

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 19.1

4 SALES AND USE TAX HOLIDAY

5 **44-19.1-1. Declaration of necessity.**

6 In consideration of the fact that other states have had sales tax holidays which have been
7 successful in stimulating their respective economies, and it is expected that a similar stimulation to
8 the Rhode Island economy would occur as a result of a sales tax holiday in Rhode Island, such a
9 sales tax holiday is afforded by this chapter.

10 **44-19.1-2. Applicability of Definitions.**

11 Except where the context otherwise requires, the terms used in this chapter shall have the
12 same meaning as in chapters 13, 18 and 19 of title 44.

13 **44-19.1-3. Sales Tax Holiday defined.**

14 For the purposes of this chapter, the term "sales tax holiday" means the second Saturday
15 and Sunday of July every year.

16 **44-19.1-4. Tax Holiday Sales.**

17 Notwithstanding any other provision of the general laws to the contrary, during a sales tax
18 holiday, a sales and use tax shall not be imposed upon any non-business retail sale made by a
19 retailer located in Rhode Island, except for the following:

- 1 (a) The sale of telecommunication services;
- 2 (b) The sale of cigarettes or other tobacco products taxed under chapter 20 of title 44;
- 3 (c) The sale of meals and/or beverages as described in § 44-18-18.1;
- 4 (d) The sale of motor vehicles;
- 5 (e) The rental of living quarters;
- 6 (f) The furnishing of service for transmission of messages by telegraph, cable, or radio and
7 the furnishing of community antenna television, subscription television, and cable television
8 services; and
- 9 (g) The sale of a single item whose price is in excess of two thousand five hundred dollars
10 (\$2,500).

11 **44-19.1-5. Retailers collection requirements.**

12 Notwithstanding any other provision of the general laws to the contrary, during a sales tax
13 holiday a retailer in Rhode Island shall not add to the sales price or collect from any non-business
14 purchaser a sales or use tax upon any retail sale described in § 44-19.1-4. Although the tax
15 administrator shall not require any retailer in Rhode Island to collect and pay sales and use tax upon
16 such retail sales made during the sales tax holiday, any sales or use tax erroneously or improperly
17 collected during a sales tax holiday shall be remitted to the division of taxation.

18 **44-19.1-6. Retailers reporting requirements.**

19 Reporting requirements imposed upon retailers, by law or by regulation, including, but not
20 limited to, the requirements for filing returns required by chapters 18 and 19 of title 44, shall remain
21 in effect for sales during the sales tax holiday, unless changed by the tax administrator in
22 instructions, forms, rules or regulations as provided for in § 44-19.1-7.

23 **44-19.1-7. Rules and Regulations - Forms.**

24 The tax administrator may adopt rules and regulations to carry into effect the provisions of
25 this chapter. The tax administrator may prescribe and furnish any forms and instructions necessary
26 or proper for the administration of this chapter.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO TAXATION -- SALES AND USE TAX HOLIDAY

- 1 This act would create a sales and use tax holiday for the second Saturday and Sunday in
- 2 July, annually.
- 3 This act would take effect upon passage.

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