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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO SALES AND USE TAXES - LIABILITY AND COMPUTATION

Introduced By: Representatives Shekarchi, McNamara, Bennett, Almeida, and Williams

Date Introduced: February 26, 2014

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 **44-18-25.1. Presumptions concerning the use of certain electricity, gas and other**
4 **fuels furnished to residential premises.** – (a) Notwithstanding the provisions of § 44-18-25 to
5 the contrary: (1) In the case of electricity, gas or other fuel furnished by a public utility under a
6 residential heating tariff, the retailer shall be entitled to presume, conclusively, that such fuel is
7 "used in the heating of homes and residential premises" within the meaning of § 44-18-30(20).

8 (2) In the case of electricity, or gas furnished by a public utility under a residential non-
9 heating tariff, the retailer shall be entitled to presume, conclusively, that such electricity or gas is
10 "furnished for domestic use by occupants of residential premises" within the meaning of § 44-18-
11 30(21).

12 (3) In the case of electricity or gas furnished by a public utility to a meter that is classified
13 on the retailer's books and records as a meter for residential premises, the retailer shall be entitled
14 to presume, conclusively, that such electricity or gas is "furnished for domestic use by occupants
15 of residential premises" within the meaning of § 44-18-30(21).

16 (b) In determining whether electricity, gas or other fuel is "used in the heating of homes
17 and residential premises" within the meaning of § 44-18-30(20) or whether electricity or gas is
18 "furnished for domestic use by occupants of residential premises" within the meaning of § 44-18-
19 30(21), a retailer that in good faith accepts a purchaser's representation of residential use shall be

1 entitled to a conclusive presumption of such use.

2 (c) The presumptions set forth in this section shall not affect the purchaser's burden of
3 proof in an examination of the purchaser's liability for use tax, as to applicability of any
4 exemption.

5 (d) In applying this section, a "public utility" shall mean a public utility as defined in §
6 39-1-2(20) or an electric transmission company described in § 39-1-2(13).

7 SECTION 2. This act shall take effect upon passage and shall apply to all tax periods that
8 on or after such date are open for assessment under § 44-19-13, are the subject of a hearing under
9 § 44-19-17, or are the subject of an appeal under § 44-19-18.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO SALES AND USE TAXES - LIABILITY AND COMPUTATION

1 This act would establish certain presumptions concerning the use of electricity, gas or
2 other fuel furnished by a public utility for the purpose of computing sales and use taxes.

3 This act would take effect upon passage and would apply to all tax periods that on or
4 after such date are open for assessment under § 44-19-13, are the subject of a hearing under § 44-
5 19-17, or are the subject of an appeal under § 44-19-18.

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