



# Rhode Island Department of Revenue

## Division of Taxation

June 30, 2016

### **Notice 2016-02** **Sales and Use Tax**

## **Transportation Network Companies**

### SECTION 1: PURPOSE

This statement provides advance notification of an amendment to the Rhode Island sales and use tax statutes as it applies to transportation network companies, effective July 1, 2016.

### SECTION 2: DESCRIPTION

Transportation network companies – sometimes called ride-sharing, ridesharing, ride-sourcing, or ridesourcing companies – are added to the statutory list of services that are subject to Rhode Island's 7 percent sales and use tax, effective July 1, 2016.

A "transportation network company" means an entity that uses a digital network to connect transportation network company riders to transportation network operators who provide prearranged rides.

Legislation approved by the Rhode Island General Assembly, and signed into law on June 24, 2016, by Rhode Island Governor Gina M. Raimondo, makes clear that any transportation network company operating in Rhode Island is a retailer as provided in Rhode Island General Laws § 44-18-15 and is required to:

- file a business application and registration form with the Division of Taxation;
- obtain a permit from the Division of Taxation to make sales at retail; and
- charge, collect, and remit sales and use tax to the Division of Taxation.

### SECTION 3: CITATION

Rhode Island House Bill 7454 Aaa, which amended Rhode Island General Laws § 44-18-7.3.

### SECTION 4: CONTACT PERSON

For questions about this notice, contact the Rhode Island Division of Taxation's Excise Tax section, by e-mail at [Tax.Excise@tax.ri.gov](mailto:Tax.Excise@tax.ri.gov), by telephone at (401) 574-8955, or by mail at the Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908.