

D **R** Rhode Island Department of Revenue Division of Taxation

IMPORTANT NOTICE

Collection of Sales and Hotel Tax Requirement for Hosting Platforms

The Rhode Island General Assembly amended R.I. Gen. Laws § 42-63.1-2 (5) effective July 1, 2015 which now defines and requires Hosting Platforms that list short-term residential rentals located in Rhode Island to register with the Rhode Island Division of Taxation, and to charge and collect sales and hotel taxes and remit those taxes to the Division of Taxation.

KEY TERMS OF THE NEW REQUIREMENT

A “Hosting Platform” is defined as an electronic or operating system in which a person or entity provides a means through which an owner may offer a residential unit for tourist or transient use. This service is usually, though not necessarily, provided through an online or web-based system which generally allows an owner to advertise the residential unit through a hosted website and provides a means for a person or entity to arrange tourist or transient use in exchange for payment, whether the person or entity pays rent directly to the owner or to the hosting platform. All Hosting Platforms are required to collect and remit the tax owed per R.I. Gen. Laws § 42-63.1-2 (5).

To comply with the requirements, all Hosting Platforms must register with the Rhode Island Division of Taxation, pay the annual \$10 Sales Tax Permit fee and collect, and remit the sales tax and the hotel tax.

To register, fill out the Business Application and Registration (“BAR”) form available on the Division of Taxation’s website at:

http://www.tax.ri.gov/forms/2015/Excise/Sales/TX_BAR_07202015.pdf.

When filling out the BAR, please keep in mind:

- On the “Do you make sales at retail?” line, check “yes”
- Under the “Will you be selling” section, check the “yes” box next to “Rental of room(s) home(s)”
- On the “Business Code #” line, enter 58-7096

Should you have any questions, please contact the Excise Tax Section at (401) 574-8955.

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