



Division of Taxation  
Department of Revenue

# Rhode Island Tax News

Second Quarter, 2023

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## Updates

### Show Promoter Checklist

Summertime is a great time for outdoor activities of all kinds. In anticipation of summer shows, the Division has created a show promoter checklist to aid promoters in voluntary compliance.

View the document below, and, as always, questions about maintaining compliance with sales activities can be directed to the Division's Excise Tax Section at [tax.excise@tax.ri.gov](mailto:tax.excise@tax.ri.gov).



Promoters must:

- 1) Apply for the promoter permit at least ten (10) days prior to the opening of each show.
  - Note: A separate permit is required for each show held in Rhode Island.
- 2) Prominently display the promoter permit at the main entrance to the show.
  - No promoter shall operate a show without obtaining a permit.
- 3) Pick up the permit, along with the number of temporary vendor permits specified on your application, when approved.
- 4) Ensure all vendors have secured their permit packet.
  - The packet contains 4 carbon pages.
- 5) Ensure all Rhode Island vendors holding a Rhode Island sales tax permit show the promoter their valid and current permit.
  - Promoter is required to maintain a copy of this permit.
- 6) Ensure all permits are on display at each vendor booth.
- 7) Collect the pink and white copies of each vendor packet at the close of the show.
- 8) Collect a check for the sales tax collected from each vendor at the close of the show. Collect pink copy and check together.
  - Collect checks and/or money orders only. Cash cannot be accepted.
- 9) Deliver pink forms and checks to the Division of Taxation on or before the 20th of the month following the close of the show.
  - Division of Taxation office is located at the Powers Building, 1 Capitol Hill, Providence, RI 02908

Note: Any vendor selling food/beverages is required to have a sales tax permit and must also pay the litter fee, which is \$25.00. A food vendor must submit both the sales tax return and the meals and beverage return to the promoter at the end of the show.

Please contact the Division of Taxation with any question via email at [tax.excise@tax.ri.gov](mailto:tax.excise@tax.ri.gov) or by phone at (401) 574-8955.

Contact us



401-574-8955



[www.tax.ri.gov](http://www.tax.ri.gov)


Have you already received your refund?

What might have caused a delay, and can you avoid one in the future?

If you or your client have not yet received your refund for your 2022 Rhode Island personal income taxes (due to be filed and paid April 18, 2023):

- Did you file on paper?
  - Returns that are filed electronically (e-filed) can result in a refund within two to three weeks.
- Are your forms complete?
  - Missing forms, schedules, or pages, as well as incomplete or incorrectly filled out forms can cause delays.
- Did you check the health insurance status box?
  - Rhode Island has an individual health insurance mandate. You must check a box on your return certifying coverage if you had full-year coverage pursuant to the mandate. This step is often overlooked.
- Did you receive a request for more documentation?
  - If more documentation is required to process your return, the Division will mail you a letter requesting more information. You have 20 days to respond to the request.
- Is your address accurate?
  - All paper returns resulting in refunds are issued checks to the address on the return. If you have moved since filing, that may delay the delivery of your refund.
  - To avoid this problem, e-file and elect to have your refund direct deposited to your bank account. If you *did* e-file, check that your banking information is accurate and up-to-date.
- Have you previously been a victim of identity theft?
  - To ensure your safety, the returns of taxpayers who have previously been victims of identity theft go through extra steps to verify accuracy. This can delay your refund by a week or more.

Where's My Refund?



### Extension Filing

The Division of Taxation provides guidance in ADV 2023-09 regarding extension filing.

Remember that an extension is an extension of time to file. It is not an extension of time to pay.

If a taxpayer owes taxes, the tax liability must still be paid by the due date.

ADV 2023-09



### Alcoholic Beverages Report

The Rhode Island Division of Taxation has posted the annual report on the sales and taxation of alcoholic beverages.

The report presents the total sales of alcoholic beverages, sales tax collections, and excise tax collections for Class A licensees in Rhode Island for the 2022 calendar year by county.

PUB 2023-02

Reports

Sales Tax Exemption for Artists Impact Report

In 2013, the General Assembly established a sales tax exemption for the sale of original works of art and limited edition works of art anywhere in the State of Rhode Island, known

as the Sales Tax Exemption for Artists.

The passage of the state-wide Sales Tax Exemption for Artists distinguishes Rhode Island as functionally an arts district itself, known as the “State of the Arts.” The General Assembly charged Rhode Island State Council on the Arts (“RISCA”) with managing the program and the Division of Taxation with administering the exemption certificates and collecting data.

The 2023 Impact of Sales Tax Exemption for Artists report is available now. The report is intended to meet the statutory requirements that the Tax Administrator, in cooperation with RISCA, gather data and assess the impact of the statewide arts district program.

June 1, 2023



# Impact of Sales Tax Exemption for Artists

## Annual Report - 2023



STATE OF RHODE ISLAND  
**Division of Taxation**  
Department of Revenue

In collaboration  
with RISCA



**RISCA**  
Art is the Anchor

Read the report

## Resources

### Driver Privilege Cards

The passage of P.L. 2022, ch. 241 and P.L. 2022, ch. 242, signed into law by Governor Daniel J. McKee on June 28, 2022, provides for the issuance of driver privilege cards and driver privilege permits to applicants who are unable to establish legal presence in the United States. The new laws are effective on July 1, 2023, which means applicants can only apply on or after that date.

The Division of Taxation will assist in the process by verifying that applicants meet the qualification requirements for driver privilege cards and permits. One such qualification is that applicants must have either filed a Rhode Island resident personal income tax return in the prior tax year or been claimed as a dependent on one.

Frequently asked questions, expanded guidance, and resources like the Division's Driver Privilege Card checklist are available on the Division's [Driver Privilege Card webpage](#).



Scan to visit our website



STATE OF RHODE ISLAND  
Division of Taxation  
Department of Revenue

## Driver Privilege Cards & Permits

Walk-in visits start  
May 8, 2023

### Connect with Us!

[Tax.Assist@tax.ri.gov](mailto:Tax.Assist@tax.ri.gov)  
 401-574-8829, option #3  
 [@RhodeIslandTax](https://twitter.com/RhodeIslandTax)  
 [www.tax.ri.gov](http://www.tax.ri.gov)

- ☐ File your Rhode Island State personal income tax return
  - If you need help filing your taxes, you may be eligible for assistance such as VITA free tax preparation
  - Learn more at <https://irs.treasury.gov/freetaxprep/>
- ☐ Visit the RI Division of Taxation in person to get your tax certificate confirming your filed status
  - Bring a translator with you if you need one
  - The Division of Taxation office is located at:  
1 Capitol Hill, Providence, Rhode Island 02908, 1st Floor
- ☐ If you are a dependent, bring the taxpayer who claimed you on their return
- ☐ Bring your certificate to your RI DMV appointment



Escanee para visitar nuestro sitio web.



STATE OF RHODE ISLAND  
Division of Taxation  
Department of Revenue

## Tarjetas y licencias de privilegio de conductor

Las visitas sin cita  
comienzan el 8 de  
mayo de 2023.

### ¡Conéctese con nosotros!

[Tax.Assist@tax.ri.gov](mailto:Tax.Assist@tax.ri.gov)  
 401-574-8829, opción #3  
 [@RhodeIslandTax](https://twitter.com/RhodeIslandTax)  
 [www.tax.ri.gov](http://www.tax.ri.gov)

- ☐ Presente su declaración de impuestos sobre la renta personal del Estado de Rhode Island.
  - Si necesita ayuda para presentar sus impuestos, puede ser elegible para recibir asistencia, como la preparación gratuita de impuestos VITA.
  - Más información en <https://irs.treasury.gov/freetaxprep/>.
- ☐ Visite RI Division of Taxation en persona para obtener su certificado de impuestos que confirma su estado de declaración.
  - Si necesita un traductor, traigalo consigo.
  - La oficina RI Division of Taxation se encuentra en:  
1 Capitol Hill, Providence, RI 02908, 1er Piso
- ☐ Si usted es dependiente, traiga al contribuyente que lo reclamó en su declaración.
- ☐ Traiga su certificado a su cita con RI DMV.

[Driver Privilege Card webpage](#)



### Newsletter Archive

For your convenience, newsletters, including this one, are available in our online Newsletter Archive.

[Newsletter Archive](#)

### Tax Talk

#### Is a Single Member Limited Liability Corporation the same as a Sole Proprietor?

Many taxpayers and tax preparers interchange the terms Single Member Limited Liability Company ("SMLLC") and Sole Proprietor. Although they are

similar, there is a distinction between these two entities.

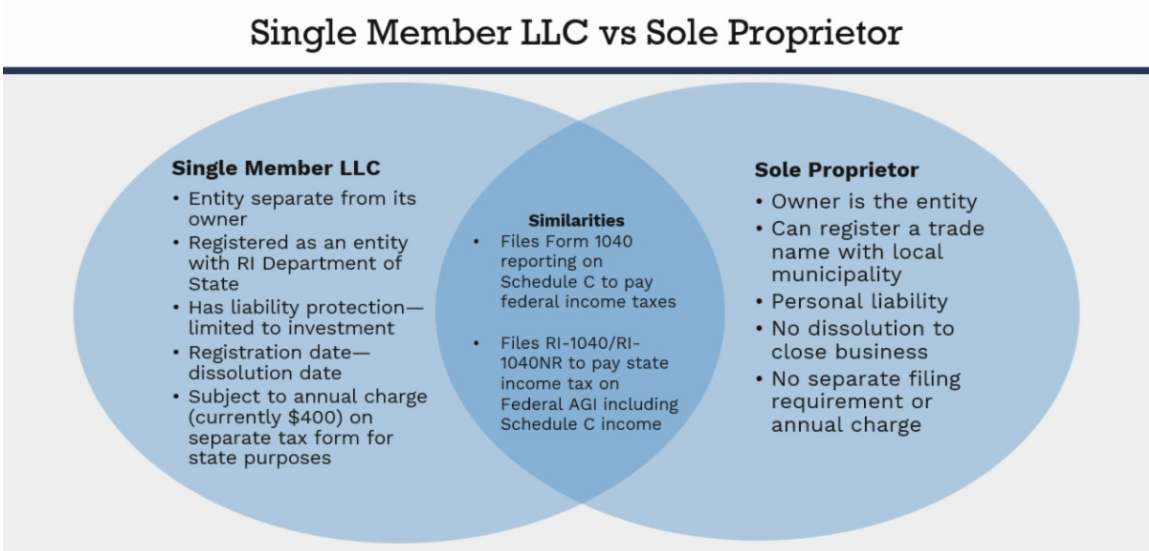
A SMLLC is an entity that is created through registration with the Rhode Island Department of State. Without this action of registration, the entity does not exist. A SMLLC is sometimes referred to as a disregarded entity because of the way it is treated for federal tax purposes. However, it is a separate legal entity from its member.

If the single member of the SMLLC is a person, it will file a Schedule C to report the income for federal tax purposes and include the income as part of the individual's federal taxable income on their federal 1040. The entity does have liability protection limited to the member's investment in the entity and is required to dissolve when the entity's business comes to an end.

For state taxation, this SMLLC is subject to an annual charge of \$400 by statute filed on the RI-1065 until a dissolution is filed. The income or loss of this SMLLC is included on the member's RI-1040/RI-1040NR as part of their federal taxable income. In the case of a sole proprietor, however, the owner is the entity. There is no separate, distinct entity and this results in the sole proprietor having personal liability for the debts of the business.

A sole proprietor can register a trade name with their local municipality but has no filings for registration or dissolution with the Rhode Island Department of State and is not subject to an annual charge. The major similarity between the two entities is the income being reported as part of the federal tax return on a schedule C.

Below is a graphic that depicts the similarities and differences between these two entities. You can reach out to the Division's Corporate Tax Section at [tax.corporate@tax.ri.gov](mailto:tax.corporate@tax.ri.gov) if you have any additional questions on this topic.



Interested in the Division's outreach programs?

The [Taxpayer Experience Office webpage](#) contains both an archive of past presentations and a list of upcoming outreach events.

### Tax Tip Line

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Do you have information about wrongdoing involving Rhode Island state taxes?

Rhode Island Division of Taxation's Special Investigation Unit staffers follow up on all tips. You can choose to leave your name and contact information or remain anonymous.

401-574-TIPS (8477)

Report Online

Administrative Decisions

An administrative decision is a final decision issued following an agency proceeding in which an individual or entity formally requests a hearing. In 2023 Q1's Administrative Decision, the issue addressed was:

[Administrative Decision 2023-01](#):

It was determined that the Taxpayer owed the underpayment of tax, interest, and penalty associated with an erroneous refund payment in relation to the Taxpayer's 2020 personal income.

[View Administrative Decisions Archive](#)

Declaratory Rulings

A Declaratory Ruling is issued at the request of a taxpayer and is limited to the facts set forth therein. The Ruling has precedential value and may be generally relied on by all persons with respect to substantially similar transactions.

In 2023 Q1's Declaratory Ruling, the issue addressed was:

[Declaratory Order 2023-01](#):

The Taxpayer requested a ruling regarding the interpretations of Rhode Island law relating to the application of sales and use tax on the Taxpayer's various offerings.

Based on the facts provided by the Taxpayer, the Taxpayer's consulting, startup, website design, and transaction fees are subject to Rhode Island sales and use tax. The Taxpayer's sale of merchandise to Rhode Island consumers is subject to sales tax. The Taxpayer's sale of gift cards to Rhode Island consumers is not subject to tax.

[View Declaratory Rulings Archive](#)



"I like to pay taxes. With them, I buy civilization."

— Oliver Wendell Holmes Jr.

Contact

