

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



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# Executive Summary

## Purpose

This report is intended to meet the statutory requirements that the Tax Administrator, in cooperation with the Rhode Island State Council on the Arts (“RISCA”), gather data and assess the impact of the statewide arts district program.

## Background

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.<sup>1</sup> 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 RISCA with managing the program and the Division of Taxation with administering the exemption certificates and collecting data.

As of December 1, 2013, all original and limited edition works of art sold in the State of Rhode Island are eligible for exemption from sales tax.

This reflects an expansion of the 1996 law that established the first designated arts districts in Rhode Island, to take effect in 1997.<sup>2</sup> In such a district, art could be purchased exempt from state sales tax at galleries. This program was regarded as successful by key stakeholders, and, throughout the late 1990s and into the early 2000s, several communities subsequently pursued arts district designations. Details of the expansion of the program are available in the appendices.

The success of the program is summarized in 2013 - H 5127 SUBSTITUTE A AS AMENDED, excerpted below:

Since 1998 the establishment of arts districts where "one-of-a-kind limited production" works of art may be sold exempt from state sales tax has resulted in an increased presence for the arts in designated cities and towns, with benefits to those communities and to the state.

Since the establishment of arts districts, many communities have sought legislation to expand the program to their city or town.

There is value in expanding the arts district program statewide, providing incentives for the sale and purchase of art. This is a unique opportunity for Rhode Island to shape history, and gain an advantage over other states, by becoming the first and only state in the country to declare a statewide sales tax exemption on art. This will strengthen Rhode Island's identity as an arts-friendly destination and "State of the Arts."

The Rhode Island Arts and Cultural sector was a \$2.2 billion industry in 2021 (3.4% of the state’s GDP), representing 16,876 jobs (6.2% of Rhode Island’s workforce) and total

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<sup>1</sup> <http://webservice.rilin.state.ri.us/BillText13/HouseText13/H5127Aaa.pdf>

<sup>2</sup> P.L. 432

compensation of \$1.2 billion. The sector includes non-profit arts organizations, for profit design companies, and individual artists.

## Other States

While five states<sup>3</sup> did not have sales tax as of 2022, of the other states, Rhode Island is the only state that has a specific state-wide exemption for artists or artistic works.

Similar to Rhode Island's previous treatment of exempting some artistic works from sales tax within certain cultural districts, Louisiana appears to exempt one-of-a-kind artworks from local sales tax within cultural districts, and a state sales tax exemption of one-of-a-kind artworks is set to go into effect in 2025.<sup>4</sup> Other cultural districts may have similar programs, with some estimates indicating 90 or more such districts in the United States.<sup>5</sup>

## Outreach

The Division of Taxation works continuously to improve and expand outreach and communications activities. Starting in 2021, the Division joined the Department of State Business Services Division at their annual Hobby to Business summit. Each year, this event provides guidance to Rhode Islanders who are interested in converting hobbies into income streams. Through this event, the Division delivers information, resources, and helpful materials to many taxpayers, including artists, regarding their tax responsibilities. Topics covered include relevant exemptions, such as the Sales Tax Exemption for Artists.

In addition to active outreach at the Hobby to Business summit, the Division's website ([www.tax.ri.gov](http://www.tax.ri.gov)) hosts all state tax forms, applications, returns, and contact information necessary for Rhode Island's artists.

The Division's Taxpayer Experience Office maintains a calendar of outreach events on the Division of Taxation website.<sup>6</sup> Outreach events are listed there, as well as slide decks from previous presentations. The Division's most recent Hobby to Business summit presentation is available on the Division's Taxpayer Experience Office webpage (<https://tax.ri.gov/about-us/taxpayer-experience-office>).

In addition to outreach by the RI Division of Taxation, RI State Council on the Arts also promotes and encourages artists to apply for the tax exemption. The agency hosts an annual webinar that provides information about the tax credit, works regularly with art show promoters to make them aware of the exemption, and provides technical assistance to artists who are interested in applying for the exemption, or who may already have the exemption. The RISCA website (<https://risca.online/buy-art-tax-free/>) provides general information about the exemption and links directly to the Division of Taxation website for details about the exemption.

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<sup>3</sup> In 2022, Alaska, Delaware, Montana, Nebraska, and Oregon did not have a state sales tax. Some localities within those states did, however, impose sales tax.

<sup>4</sup> From the [Louisiana Office of Cultural Development](#) publication, August 20, 2018, "Beginning July 1, 2018 the state sales tax of 4.45% must be collected. All sales, within the boundaries of a certified Cultural District, of original, one-of-a-kind works of art that meet the definition below as set forth in the law, are exempt from local sales tax. Due to legislative action there is no state sales tax exemption until July 2025."

<sup>5</sup> Public Art Network, a Program of Americans for the Arts guide titled "[Artists, Sculptors, & Business Owners Sales & Use Taxes](#)".

<sup>6</sup> <https://tax.ri.gov/about-us/taxpayer-experience-office>

# Overview

## About The Sales Tax Exemption for Artists

To qualify for and receive the Sales Tax Exemption for Artists, the “APPLICATION FOR SALES TAX EXEMPTION FOR ARTISTIC WORKS” must be properly completed and submitted to the Division of Taxation.<sup>7</sup>

In addition to basic business information, such as the name of the business or taxpayer, business address, and telephone number, statute requires specific information on the types of works of art for which exemption is sought. This specification is necessary for proper determination, as the types of work that qualify for the Sales Tax Exemption for Artists are clearly defined in statute. Some works of art that would qualify under this exemption include limited edition or one-of-a-kind works such as books or other writings, musical compositions, paintings, photographs, sculptures, creations of film, and creations of dance.

The Sales Tax Exemption for Artists does not apply to any piece or performance created or executed for industry orientated, commercial, or related production. For example, it would not apply to a photographer on a commercial assignment. Works of art for the purposes of the exemption must be permanent objects, meaning consumables such as handmade candles or soaps do not qualify for the tax exemption.

Exempt works must also be either an “original work of art” or a “limited edition.” An “original work of art” is defined as “the creation of a solitary work, conceived and produced by the artist and author or under their direction, not intended for multiple or mass production.” While a “limited edition” work of art is defined as “the creation of a solitary work, conceived and produced by the artist or under their direction, which is intended for limited reproduction, signed and numbered by the artist.” The phrase, “signed and numbered by the artist,” implies that the work is produced “under [the] direction” of the artist — rather than mass-produced — and is a “limited reproduction.”

As this exemption is sales-based, a sales permit must accompany the “APPLICATION FOR SALES TAX EXEMPTION FOR ARTISTIC WORKS.” During the application process, if the taxpayer does not have a sales permit, the Division of Taxation will reach out to the taxpayer to secure a permit so the application process may proceed. Every application received for the Sales Tax Exemption for Artists is also reviewed by both RISCA and the Division of Taxation to ensure all applicable laws and regulations are followed.

For all sales permit holders, including those falling under the exemption, an annual sales reconciliation form is a required filing. Any entity that holds a Sales Tax Exemption for Artists must file an annual reconciliation form specific to exempted artists that captures such data as the total number of exempt works sold per month. The specific annual reconciliation for artists is the “Form T-204W-Annual, Writers, Composers and Artists Annual Reconciliation.”<sup>8</sup> Statute does not currently provide the exemption with an expiration.

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<sup>7</sup> <https://tax.ri.gov/forms/audit-forms>

<sup>8</sup> <https://tax.ri.gov/forms/business-tax-forms/sales-excite-forms>

# Sales Tax Exemption for Artists

For calendar year 2022, 704 artists filed an Annual Reconciliation form.<sup>9</sup> The data from these annual reconciliations informs much of this report.<sup>10</sup> These 704 artists claimed a total of \$15.59 million in sales of tax-exempt art sold in Rhode Island.

<b>Annual Reconciliations Filed by Artists</b>	
<b>Year</b>	<b>T204-Ws Filed</b>
<b>2014</b>	461
<b>2015</b>	583
<b>2016</b>	676
<b>2017</b>	762
<b>2018</b>	890
<b>2019</b>	865
<b>2020</b>	780
<b>2021</b>	845
<b>2022</b>	704

In addition to exempt sales, artists are required to report any other taxable sales made. The artists reported an additional \$13.47 million in taxable sales that brought in \$0.94 million in sales tax revenue. Artists that fall under the Sales Tax Exemption for Artists reported that in 2022 they sold 216,448 individual works, which make up \$15.59 million tax-exempt sales.

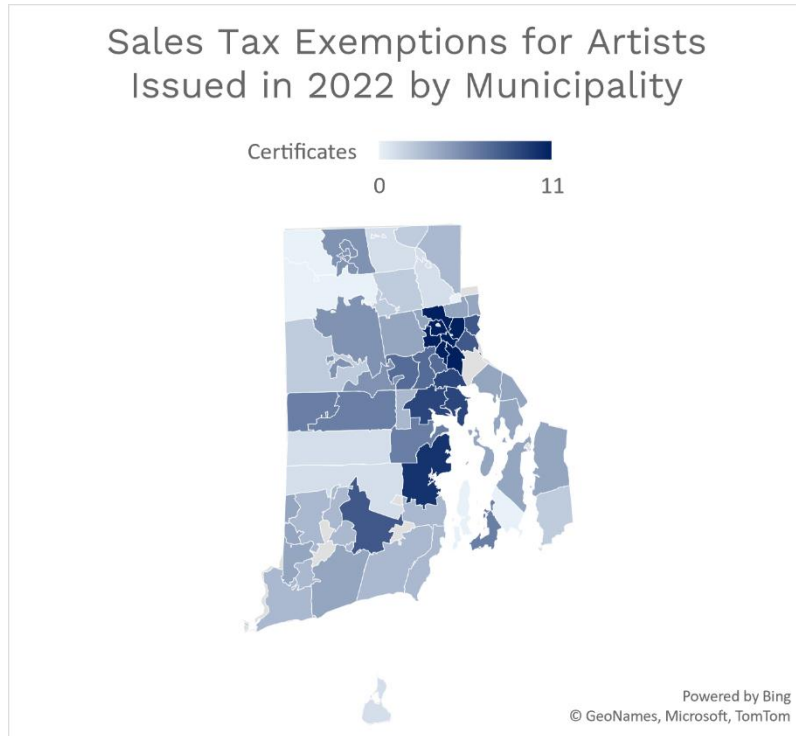
In 2022, a total of 149 Sales Tax Exemptions for Artists were issued:

<b>New Certificates Issued for Sales Tax Exemption for Artists</b>	
<b>Year</b>	<b>Certificates Issued</b>
<b>2014</b>	461
<b>2015*</b>	161
<b>2016</b>	172
<b>2017</b>	131
<b>2018</b>	132
<b>2019</b>	221
<b>2020</b>	89
<b>2021</b>	124
<b>2022</b>	149

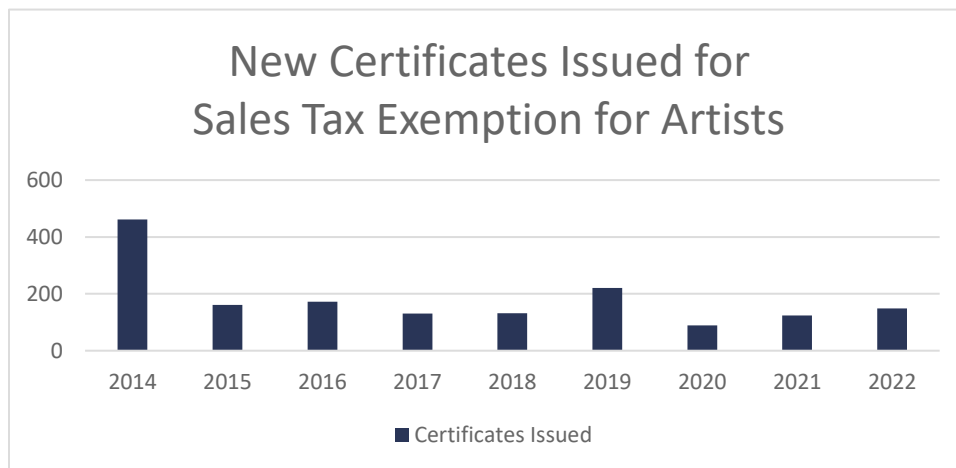
<sup>9</sup> The reader should note that due to the small number of exempt artists, any substantial change to the business of one larger seller, or a group of smaller sellers, can cause significant changes to the numbers reported.

<sup>10</sup> A Note on Available Data: this report analyzes data from the inception of the state-wide Sales Tax Exemption for Artists in 2014 through the end of the last calendar year, 2022. Due to record retention policies, changes in modes of reporting, and systems upgrades, some data from tax year 2014 is not available; this may impact interpretation of the data. Data from 2014 is limited to information available in the 2015 artistic works report. Due to record retention policies, at the time of this writing, original returns for validation from dates before 2016 are not available. Data on the number of artistic works sold in 2015, 2017, and 2018 is not available. The data is based on information reported by taxpayers and may include unaudited information.

Artists in 35 municipalities received new exemptions in 2022. Providence represented the municipality for which the largest number of approved exemptions were issued in 2022 with 11, followed by North Kingstown with 10, and Warwick with 9.



The 149 new exemptions issued in 2022 represent an increase from 89 in 2020 and 124 in 2021. The most exemptions, by year, were issued in 2014, the first year of the statewide exemption, when 461 exemptions were issued.

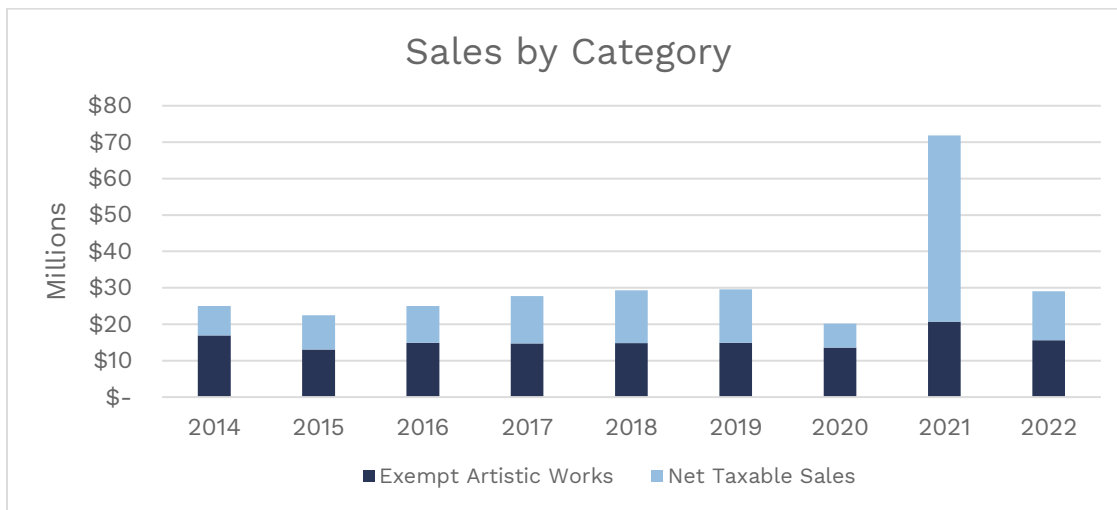


The sales of exempt artistic works have been consistent from 2014 through 2022. Sales of exempt artistic works is generally \$14.5 million annually. In 2020, sales dipped to \$13.6 million, and in 2021, they increased to \$20.7 million.

Year	Exempt Artistic Works	Net Taxable Sales
2014	\$ 16,973,981	\$ 8,045,768
2015	\$ 13,036,952	\$ 9,437,398
2016	\$ 14,913,769	\$ 10,119,032
2017	\$ 14,738,445	\$ 12,992,540
2018	\$ 14,792,632	\$ 14,500,017
2019	\$ 14,936,209	\$ 14,665,987
2020	\$ 13,593,767	\$ 6,608,057
2021	\$ 20,669,229	\$ 51,164,406
2022	\$ 15,593,862	\$ 13,468,006

In 2020, net taxable sales in this sector decreased to \$6.6 million, which may be related to the COVID-19 pandemic. A notable change occurred in 2021 regarding net taxable sales as reported by those filing annual reconciliations. While sales of exempt works increased substantially in 2021 above pre-pandemic levels (\$20.7 million as opposed to \$14.9 million in 2019), taxable sales in 2021 rose to \$51.2 million, as opposed to \$14.7 million in 2019, based on reported data.

This report does not contain data that explains the change in behavior of customers or changes in business practices that would account for this increase.



In addition to sales exempt from taxes under the Sales Tax Exemption for Artists, other exempt sales are reported on the annual reconciliation provided by artists. Sales may be exempt from sales tax if they are interstate (where tax is paid to another state), or sales to exempt organizations, including government entities and nonprofit organizations.

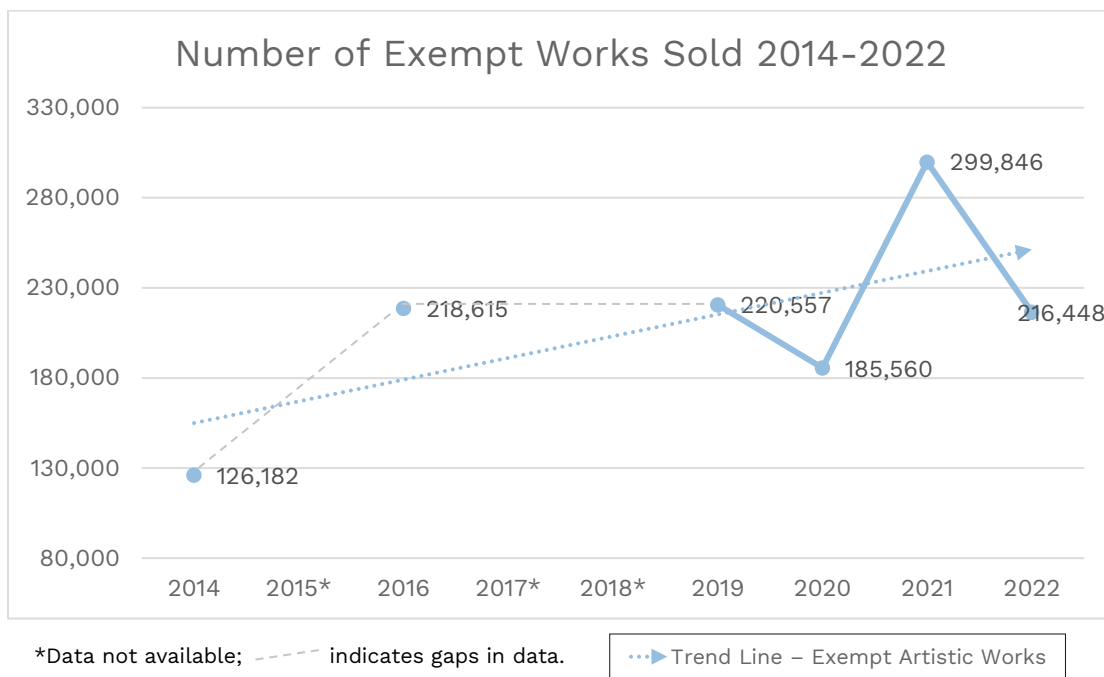


Tax Revenue from Taxable Sales by Artists			
Year	Net Taxable Sales	Sales Tax Rate	Tax Revenue
2014	\$ 8,045,768	7%	\$ 563,204
2015	\$ 9,437,398	7%	\$ 660,618
2016	\$ 10,119,032	7%	\$ 708,332
2017	\$ 12,992,540	7%	\$ 909,478
2018	\$ 14,500,017	7%	\$ 1,015,001
2019	\$ 14,665,987	7%	\$ 1,026,619
2020	\$ 6,608,057	7%	\$ 462,564
2021	\$ 51,164,406	7%	\$ 3,581,508
2022	\$ 13,468,006	7%	\$ 942,760

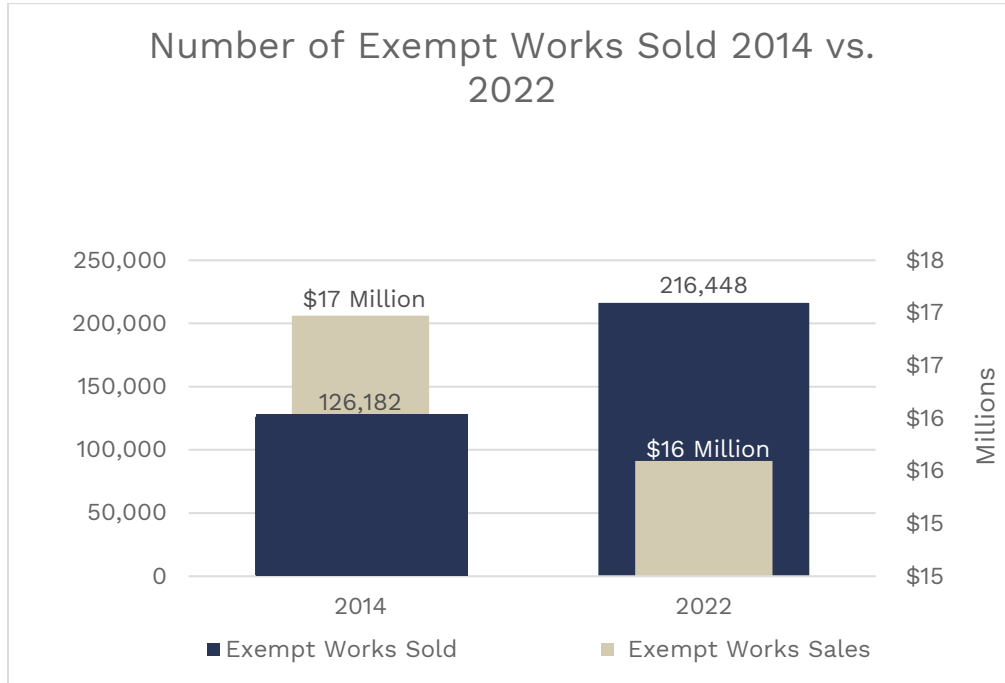
For those approved for the Sales Tax Exemption for Artists, some of the other sales exempt from sales tax varied widely by year. For example, in 2021, sales to exempt organizations only accounted for \$0.82 million, while in 2022 the same category accounted for \$3 million in sales.

The net taxable sales for artists operating under the Sales Tax Exemption for Artists resulted in tax revenue that ranged from a low of \$0.5 million in 2020 to a high of \$3.6 million in 2021. The revenue followed the trend seen in total taxable sales as previously discussed in this report.

The trend of the number of exempt works sold represents a small but steady increase. For example, in 2014, 126,182 exempt works were sold for \$17 million, while in 2022, 216,448 exempt works were sold for \$15.6 million.



Please note that the annual count of pieces sold is an unaudited count. In most cases the reported figures are accurate, although some taxpayers do not report their total number of works sold.<sup>11</sup>



<sup>11</sup> The Division has manually reviewed outliers – in cases where these outliers were found to be dollars instead of counts, they have been removed from the total.

# Appendix

Statutory Reference

Timeline

Expanded Tables & Forms

## Statutory Reference

# Sales Tax Art Exemption

## Chapter 18

### Sales and Use Taxes — Liability and Computation

#### R.I. Gen. Laws § 44-18-30B

#### § 44-18-30B. Exemption from sales tax for sales by writers, composers, artists — Findings.

(a) The general assembly makes the following findings of facts:

(1) The arts and culture are a significant asset for Rhode Island, one that generates revenue through increased tourism and economic activity; creates jobs and economic opportunities; revitalizes communities adding to quality of life and property values; and fosters creativity, innovation, and entrepreneurship.

(2) Since 1998, the establishment of arts districts, where “one-of-a-kind, limited-production” works of art may be sold exempt from state sales tax, has resulted in an increased presence for the arts in designated cities and towns, with benefits to those communities and to the state.

(3) Since the establishment of arts districts, many communities have sought legislation to expand the program to their city or town.

(4) There is value in expanding the arts district program statewide, providing incentives for the sale and purchase of art. This is a unique opportunity for Rhode Island to shape history, and gain an advantage over other states, by becoming the first-and-only state in the country to declare a statewide sales tax exemption on art. This will strengthen Rhode Island’s identity as an arts-friendly destination and “State of the Arts.”

(b)(1) This section only applies to sales by writers, composers, and artists residing in and conducting a business within the state of Rhode Island. For the purposes of this section, a “work” means an original and creative work, whether written, composed, or executed for “one-of-a-kind, limited production” that falls into one of the following categories:

(i) A book or other writing;

- (ii) A play or the performance of said play;
- (iii) A musical composition or the performance of said composition;
- (iv) A painting, print, photograph, or other like picture;
- (v) A sculpture;
- (vi) Traditional and fine crafts;
- (vii) The creation of a film or the acting within the film; or
- (viii) The creation of a dance or the performance of the dance.

(2) For the purposes of this section, a “work” includes any product generated as a result of any of the above categories.

(3) For the purposes of this section, a “work” does not apply to any piece or performance created or executed for industry-oriented, commercial, or related production.

(c)(1) This section applies to sales by any individual:

(i) Who is a resident of, and has a principal place of business situated in, the state of Rhode Island.

(ii) Who is determined by the tax administrator in consultation with the Rhode Island council on the arts, after consideration of any evidence he or she deems necessary or that is submitted to him or her by the individual, to have written, composed, or executed, either solely or jointly, a work or works that would fall into one of the categories listed in subsection (b)(1).

(2) This section also applies to sales by any other gallery located in the state of Rhode Island.

(3) The tax administrator shall not make a determination unless:

(i) The individual(s) concerned duly make(s) an application to the tax administrator for the sales tax exemption that applies to the works defined in this section; and

(ii) The individual has complied and continues to comply with any and all requests made by the tax administrator.

**(d)** Any individual to whom this section applies, and who makes an application to the tax administrator, is entitled to a sales tax exemption for the sale of a work or works sold from the individual's business located in the State of Rhode Island that would, apart from this section, be subject to the tax rate imposed by the state of Rhode Island.

**(e)** When an individual makes a request for the exemption, the tax administrator is entitled to all books, documents, or other evidence relating to the publication, production, or creation of the works that may be deemed necessary by the tax administrator for the purposes of the exemption. The time period in which to provide this information is in the sole discretion of the tax administrator and specified in the notice.

**(f)** In addition to the information required in subsection (e), the tax administrator may require the individual(s) to submit an annual, certified accounting of the numbers of works sold; the type of work sold; and the date of the sale. Failure to file this report may, in the sole discretion of the tax administrator, terminate the individual's eligibility for the exemption.

**(g)** Any person storing, using, or otherwise consuming in this state any work or works deemed to be exempt from the sales tax pursuant to this section is not liable for the use tax on the work or works.

**(h)** Notwithstanding the provisions of this section, any individual to whom this section may apply shall comply with all the administration, collection, and other provisions of chapters 18 and 19 of this title.

**(4)** The Rhode Island council on the arts will oversee the transition to a statewide arts district program and work with the state tourism agencies; local chambers of commerce; and advertising/marketing agencies to promote this program, and will coordinate its efforts with the city and town governments. The Rhode Island council on the arts may request, and shall receive, from any department, division, board, bureau, commission, or agency of the state any data, assistance, and resources, including additional personnel, that will enable it to properly carry out this program.

**(5)** The tax administrator, in cooperation with the Rhode Island council on the arts, will gather data to assess the overall impact of the statewide arts district program, and issue an annual report, including, but not be limited to, the impact of the tax exemption on employment, tourism, sales, and spending within the arts sector and adjacent businesses, and any other factors that describe the impact of the program.

#### History of Section.

P.L. 1996, ch. 432, § 1; P.L. 1997, ch. 329, § 1; P.L. 1998, ch. 266, § 1; P.L. 1998, ch. 382, § 1; P.L. 1998, ch. 406, § 1; P.L. 1998, ch. 410, § 1; P.L. 2003, ch. 372, § 1; P.L.

2004, ch. 542, § 1; P.L. 2004, ch. 546, § 1; P.L. 2005, ch. 257, § 1; P.L. 2005, ch. 270, § 1; P.L. 2005, ch. 425, § 1; P.L. 2013, ch. 144, art. 9, § 15; P.L. 2014, ch. 528, § 64.

# Timeline

1996

August 21, 1996 - P.L. 1996, ch. 432. Exemption from sales tax for sales by writers, composers, artists passed.

[The exemption applies] to sales by any individual: who is a resident of and has a principal place of business situated in the section of the economic development zone designated as the arts and entertainment district in the downtown area of the city of Providence. [T]he arts and entertainment district is defined as the area bounded by Pine Street to the southeast, Dorrance Street to the northeast, Sabin Street to the northwest and Empire Street to the southwest.

This exemption was originally set to be in effect until December 31, 2000.

1997

January 1, 1997. Exemption from sales tax for sales by writers, composers, artists takes effect.

July 8, 1997 - P.L. 1997, ch. 329, § 1. Exemption from sales tax for sales by writers, composers, artists amended to remove the end date of December 31, 2000.

1998

July 9, 1998 - P.L. 1998, ch. 266, § 1. Exemption from sales tax for sales by writers, composers, artists amended to add sales by any gallery located in the arts and entertainment district, as well as any other arts and entertainment district designated by the general assembly to the sales tax exemption.

July 20, 1998 - P.L. 1998, ch. 382, § 1. Exemption from sales tax for sales by writers, composers, artists amended to add the Westerly arts and entertainment district (defined as assessor's plat 56, lots 1 through 24, lot 48, lots 50 through 62, and lots 71 through 82, and assessors plat 66, lots 22 through 26, and lots 29 through 36) to the exemption.

July 21, 1998 - P.L. 1998, ch. 406, § 1. Appears to be the same as P.L. 1998, ch. 382, § 1, above.

July 21, 1998 - P.L. 1998, ch. 410. Exemption from sales tax for sales by writers, composers, artists amended to add the Pawtucket economic development zone (defined as the area beginning at the point of intersection of Dexter Street and the Central Falls line, then east along the Central Falls line to the Blackstone River, then north along the city boundary on the Blackstone River to the Cumberland line, then west along the Pawtucket city boundary line to I-95, then south along I-95 to Pine Street, then north on Pine Street to AMTRAK Right of Way, then northwest along the AMTRAK Right of Way to Dexter Street, then north on Dexter Street to the Central Falls line) to the exemption.



2003

July 17, 2003 - P.L. 2003, ch. 372, § 1. Exemption from sales tax for sales by writers, composers, artists amended to add the Woonsocket arts and entertainment district (defined as the area beginning at a point of land on the southwest bank of the Blackstone River abutting the bridge for the Providence & Worcester Railroad and proceeding northerly to a point at the intersection of Worrall Street, Clinton Street and Harry S. Truman Drive, then proceeding northwesterly along Worrall Street to its intersection with Social Street, then turning westerly on Social Street proceeding to its intersection with Main Street, Blackstone Street and North Main Street, then turning northwesterly and proceeding along Blackstone Street to its intersection with River Street, then turning northerly and proceeding along River Street to its intersection with the north/east bank of Blackstone River, then following the riverbank southerly to the bridge at Bernon Street and turning easterly crossing the Blackstone River via Bernon Street and proceeding to its intersection with Front Street, then turning northeasterly on Front Street and proceeding to its intersection with Hamlet Avenue, and to include the former courthouse on the southerly side of Front Street at its intersection with Hamlet Avenue, then turning easterly on Hamlet Avenue and proceeding to its intersection with Manville Road, then turning southeasterly on Manville Road and proceeding to its intersection with Davison Avenue, then turning northeasterly on Davison Avenue and proceeding to a point on the south/west bank of the Blackstone River, then turning northerly, following the southerly riverbank to the point of beginning) to the exemption.

2004

February 11, 2004 - P.L. 2004, ch. 542, § 1. Exemption from sales tax for sales by writers, composers, artists amended to add the areas of the town of Warren which are zoned "waterfront district," "special district," "village business district," "manufacturing district," "business district" or "Warren historic district to the exemption.

July 9, 2004 - P.L. 2004, ch. 546, § 1. Exemption from sales tax for sales by writers, composers, artists amended to add the Warwick arts district (defined as that area known as Pontiac Village, beginning on Route 5 at the Warwick/Cranston municipal boundary, then south to the intersection of Route 5 and the Pawtuxet River, then following the Pawtuxet River in an easterly and northerly direction to the municipal boundary in the vicinity of Knight Street, then from the intersection of Knight Street and the municipal boundary westerly along the Warwick/Cranston municipal boundary to the intersection of Route 5 and Greenwich Avenue) to the exemption.

2005

July 13, 2005 - P.L. 2005, ch. 257, § 1. Exemption from sales tax for sales by writers, composers, artists amended to add those areas of the town of Tiverton which are zoned "business commercial," "business waterfront" or "village commercial", as well those areas in the city of Newport which are zoned "general business," or "waterfront business", or "limited business" or have been designated by the city of Newport as part of the arts district to the exemption.

July 1, 2005 - P.L. 2005, ch. 270, § 1. Exemption from sales tax for sales by writers, composers, artists amended to add the town of Little Compton to the exemption. Additionally the arts and entertainment district in Providence was expanded (to include the area beginning at the point of intersection of Acorn Street and Harris Avenue, then turning east onto Atwells Avenue to Service Road 7, then turning southerly onto Service Road 7 to Westminster Street, then turning westerly onto Westminster Street, continuing until Bridgham, then turning south onto Bridgham to Cranston Street, then turning southwesterly onto Cranston Street, then continuing to Messer Street, then turning north onto Messer Street to Westminster Street, turning west onto Westminster Street to US Hwy 6 off ramp, then heading west on US Hwy 6 to Sheridan Street, then heading northeast on Sheridan Street to Aleppo Street, then turning southeast along Aleppo Street to Pelham Street, then heading northeast on Pelham Street to Manton Avenue, then continuing southeast on Manton Avenue until Delaine Street, then heading northeast on Delaine Street until Appleton Street, then continuing northwesterly on Appleton Street until Bowdoin Street, then heading north on Bowdoin Street until Barstow Street, then heading east on Barstow until Valley Street, then heading northeast on Valley Street to Hemlock Street, then turning southeast on Hemlock Street until Promenade Street, then heading east on Promenade Street to Acorn Street, then heading south on Acorn Street to the intersection of Acorn Street and Harris Avenue)

July 19, 2005 - P.L. 2005, ch. 425, § 1. Appears to be the same as P.L. 2005, ch. 270, § 1, above.

2013

July 3, 2013 - P.L. 2013, ch. 144, art. 9, § 15. Exemption from sales tax for sales by writers, composers, artists amended to exempt all original and limited edition works of art sold in the State of Rhode Island from sales tax.

December 1, 2013, exemption of all original and limited edition works of art sold in the State of Rhode Island from sales tax goes into effect.

2014

2014 - First full calendar year of expanded exemption.

July 7, 2014 - P.L. 2014, ch. 528, § 64. Exemption from sales tax for sales by writers, composers, artists amended for technical language clean-up.

# Expanded Tables & Forms

## 2022 Application for Sales Tax Exemption for Artistic Works



State of Rhode Island  
 Department of Revenue  
 Division of Taxation  
 Field Audit Section  
 One Capitol Hill  
 Providence, RI 02908-5800

### APPLICATION FOR SALES TAX EXEMPTION FOR ARTISTIC WORKS

Please Print or Type	
Federal employer identification number or social security number	Home telephone number
Name (of business or, if incorporated, corporate name)	Business telephone number
Business name (if different than above)	Sales tax permit number
Business address	City State ZIP code
Residence address (include apt., office or unit number, if applicable)	City State ZIP code
Mailing address (include apt., office or unit number, if applicable)	City State ZIP code
Email address	
<b>Description of artistic work(s) for which exemption is sought:</b>	<b>DIVISION OF TAXATION USE ONLY EXEMPTION NUMBER</b>
1.	
2.	
3.	
4.	
5.	
6.	
7.	
Attach additional schedules if necessary.	
Under penalty of perjury, I certify that I am (check one) <input type="checkbox"/> a resident of the State of Rhode Island, or <input type="checkbox"/> an art gallery located in the State of Rhode Island, and that the artistic work(s) will be sold from the business address shown above.	
Print or type name	Title
Signature	Date
<b>NOTE:</b> If application for exemption is made by an individual eligible for an income tax modification, a <b>Certification of Residency</b> within a specified district as outlined in RIGL 44-30-1.1, issued by the applicable city must be submitted with this application.	

State of Rhode Island Division of Taxation  
**Form T-204W-Annual**  
 Writers, Composers and Artists Annual Reconciliation



16125499990101

Name			Account identification number		
Address			For the period ending: 12/31/2022		
Address 2			NAICS code		
City, town or post office	State	ZIP code	E-mail address		

**SALES AND USE TAX RETURN TO BE FILED BY WRITERS, COMPOSERS AND ARTISTS - RIGL §44-18-30B**  
**If you file a consolidated Sales Tax Return, list all locations by Rhode Island account identification number.**  
**If there are more than 10 locations, please attach a separate listing. If you have multiple locations,**  
**but file individual Sales Tax Returns, you must file a T-204W-Annual for each location.**

Have you sold or closed your business?.....  Yes If yes, on what date? \_\_\_\_\_

**Before completing lines A through E, complete Schedules A and B on page 2.**

A Total Net Taxable Sales for the period Jan - Dec. NOTE: Line A must equal Net Taxable Sales from pg 2, line 5	A			
B Amount of tax. Multiply line A by 7% (.07).....	B			
C 1 Total tax due remitted for the period January through December.....	C1			
2 Credit balance (if any) per line E of the 2021 Annual Reconciliation, Form T-204W	C2			
3 Sales tax due and paid to another state on items included in Schedule A, line 2....	C3			
4 Total Tax Paid. Add lines C1 through C3.....	C4			
D Line C4 should equal line B. If line B is more than line C4, there is a <b>balance due</b> . Please remit payment to the RI Division of Taxation and send in with this Annual Reconciliation. See instructions for additional information.....	D			
E If line C4 is more than line B, there is a <b>credit due</b> which will be credited to the 2022 sales tax payments. Note: Taxpayer must submit a "Claim for Refund" form with this reconciliation in order to receive a refund instead	E			

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, it is true, accurate and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Authorized officer signature	Print name	Date	Telephone number
Paid preparer signature	Print name	Date	Telephone number
Paid preparer address	City, town or post office	State	ZIP Code PTIN

May the Division of Taxation contact your preparer? YES

**DUE ON OR BEFORE JANUARY 31, 2023**

State of Rhode Island Division of Taxation  
**Form T-204W-Annual**  
 Writers, Composers and Artists Annual Reconciliation



16125499990102

Name	Account identification number

**1 SALES BY CATEGORY**

**TOTALS**

**SCHEDULE A**

a Artistic, composed, or written works (one of a kind or limited edition)	1a		
b Other sales: All sales not listed on line 1a.....	1b		
c GROSS SALES. ADD LINES 1a and 1b.....	1c		
2 USE: Cost of personal property per R.I. Gen. Laws 44-18-20.....	2		
3 TOTAL. Add lines 1c and 2.....	3		

**4 LEGAL DEDUCTIONS**

**SCHEDULE B**

a Artistic, composed, or written works (one of a kind or limited edition).....	4a		
b Resale.....	4b		
c Interstate.....	4c		
d Exempt Organizations			
1. Federal and State.....	4d1		
2. Other exempt organizations & non-profits R.I. Gen. Laws 44-18-30(5).....	4d2		
e Other (Deductions not separately listed above).....	4e		
Specify _____			
f TOTAL DEDUCTIONS. ADD lines 4a through 4e.....	4f		
<b>5 Net Taxable Sales. Subtract line 4f from line 3. Carry to page 1, line A.....</b>	<b>5</b>		

**6 DETAIL OF WORK(S) SOLD**

**SCHEDULE C**

- a Artistic exemption number: \_\_\_\_\_
- b Type of work(s) sold: \_\_\_\_\_
- c Total number of work(s) sold: \_\_\_\_\_ Breakdown total work(s) sold by month below:

Month	# of Works	Month	# of Works	Month	# of Works
January		May		September	
February		June		October	
March		July		November	
April		August		December	

# Form T-204W-Annual Instructions

STATE OF RHODE ISLAND  
DEPARTMENT OF REVENUE  
DIVISION OF TAXATION

INSTRUCTIONS FOR PREPARING  
WRITERS, COMPOSERS AND ARTISTS - ANNUAL RECONCILIATION

**IMPORTANT:** To prepare the Annual Reconciliation, start with Schedule A, line 1 on page 2 then complete the return on the reverse side.

### FRONT OF RETURN

#### SCHEDULE A - SALES

- LINE 1: **Artistic work sales** - Include all artistic work sales for the year in any way related to Rhode Island businesses, including any sales exempt from tax.
- LINE 1a: Artistic, composed, or written works (one of a kind or limited edition) sales.
- LINE 1b: Enter all other sales.
- LINE 1c: Gross sales. Add lines 1a and 1b and enter total on this line.
- LINE 2: **USE TAX.** Enter cost of tangible personal property purchased outside of Rhode Island tax free for use, storage or consumption by you in this state during the year or cost of personal property purchased for resale and subsequently used or consumed by you during the year rather than being sold. Also, include on this line the amount of any other transactions during the year subject to the sales and use tax and purchased without payment of the tax.
- LINE 3: **TOTAL SALES FOR THE YEAR.** Add lines 1c and 2 and enter total on this line.

#### SCHEDULE B - DEDUCTIONS

- LINE 4: **LEGAL DEDUCTIONS** - Include all sales that are exempt from sales tax.
- LINES 4a - 4e - Enter the amount of deductions on the appropriate lines. If you have a legal deduction that does not have its own line, enter the amount on line 4e and provide a description of the deduction.
- LINE 4f: **TOTAL DEDUCTIONS FOR THE YEAR.** Add lines 4a through 4e and enter the amount on this line.
- LINE 5: **NET SALES FOR THE YEAR.** Subtract line 4f from line 3 and enter the amount on this line and on line A on page 1 of the Annual Reconciliation.

#### SCHEDULE C - WORKS INFORMATION

- LINE 6a: Enter your artistic exemption number issued by the RI Division of Taxation.
- LINE 6b: Enter the types of work(s) sold. (Ex. painting, sculpture, etc.)
- LINE 6c: For each month, enter the number of works sold during that month. Add all of the monthly works sold together and enter the total on the "Total Works Sold" line.

- LINE A: Enter the amount from line 5 of the back of the Writers, Composers and Artists - Annual Reconciliation.
- LINE B: **NET SALES AND USE TAX DUE FOR THE YEAR.** Multiply line A times 7% (0.07) and enter the amount on this line.
- LINE C1: **TAX PAID FOR THE YEAR.** Enter the amount of sales and use tax paid for the period January through December.
- LINE C2: **CREDIT FROM 2021 ANNUAL RECONCILIATION RETURN.** Enter the amount of credit balance (if any) per line E of your 2021 Annual Reconciliation Return - 2021 Form T-204W.
- LINE C3: **SALES TAX DUE AND PAID TO ANOTHER STATE.** Enter the amount of sales tax paid to another state on items included in Schedule A, line 2.
- LINE C4: **TOTAL TAX PAID.** Add lines C1 through C3 and enter the amount here.
- LINE D: Line C4 should equal line B. If line B is greater than line C4, there is a balance due. Remit payment to the Division of Taxation along with the Annual Reconciliation form.
- LINE E: If line B is less than line C4, this is the amount you overpaid. Overpayments shall be applied to subsequent filing periods. If you wish to receive a refund instead, file a "Claim for Refund" form with the reconciliation.

**CERTIFICATION SECTION:** Located on the bottom of page 1, this section must be completed and signed by an authorized owner, partner or officer.

All forms can be found on the Division of Taxation's website:  
<https://tax.ri.gov/forms/business-tax-forms/sales-excise-forms>

Mail your completed Annual Reconciliation form to:  
RI Division of Taxation  
One Capitol Hill  
Providence, RI 02908  
Attn: Tax Processing

**Attention filers, you can file this form online using the RI Division of Taxation's portal!**  
Visit: <https://taxportal.ri.gov> for more information.

## Total count of Tax Returns Filed by Sales Tax Exempt Artists 2014-2022

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>TOTAL COUNT OF RETURNS</b>	461	583	676	762	890	865	780	845	704

## Sales, Tax, and Deductions/Exemptions for Exempt Artists 2014-2022

		2014	2015	2016	2017	2018	2019	2020	2021	2022
T-204W	<b>NetTaxableSales</b>	\$ 8,045,768	\$ 9,437,398	\$ 10,119,032	\$ 12,992,540	\$ 14,500,017	\$ 14,665,987	\$ 6,608,057	\$ 51,164,406	\$ 13,468,006
	<b>TaxAmt</b>	\$ 660,617	\$ 708,332	\$ 909,478	\$ 909,478	\$ 1,015,001	\$ 1,026,619	\$ 462,564	\$ 3,581,508	\$ 942,760
	<b>TotalTaxRemit</b>	\$ 270,511	\$ 884,162	\$ 979,216	\$ 979,216	\$ 1,088,617	\$ 1,163,594	\$ 511,914	\$ 3,604,087	\$ 940,231
	<b>PriorYearCredit</b>	\$ 235	\$ 567	\$ 447	\$ 186	\$ 467	\$ 298	\$ 298	\$ 2,587	\$ 6,988
	<b>OutOfStateTaxPaid</b>	\$ 11	\$ 217	\$ 9	\$ 2,716	\$ 1,152	\$ -	\$ 282	\$ 179	\$ -
	<b>TotalTaxPaid</b>	\$ 673,205	\$ 884,945	\$ 979,672	\$ 1,041,155	\$ 1,072,877	\$ 1,072,877	\$ 512,212	\$ 3,606,955	\$ 947,397
	<b>BalanceDue</b>	\$ 4,032	\$ 5,509	\$ 15,514	\$ 6,844	\$ 26,784	\$ 24,817	\$ 22,085	\$ 49,345	\$ 53,981
	<b>CreditDue</b>	\$ 16,409	\$ 164,977	\$ 66,784	\$ 47,216	\$ 165,378	\$ 74,465	\$ 47,532	\$ 53,981	\$ -
SCH A	<b>ArtisticWork</b>	\$ 13,435,284	\$ 16,429,835	\$ 16,484,063	\$ 16,709,678	\$ 16,278,049	\$ 14,827,556	\$ 22,600,581	\$ 18,412,189	\$ 45,255,617
	<b>OtherSalesTot</b>	\$ 34,204,252	\$ 33,976,266	\$ 36,228,873	\$ 49,139,940	\$ 47,974,000	\$ 17,949,375	\$ 66,407,389	\$ 66,407,389	\$ 45,255,617
	<b>GrossSalesTot</b>	\$ 47,639,536	\$ 50,406,101	\$ 52,712,936	\$ 66,549,623	\$ 64,252,055	\$ 32,776,931	\$ 89,007,970	\$ 84,819,578	\$ 90,511,234
	<b>UseTot</b>	\$ 12,952	\$ 19,190	\$ 24,414	\$ 37,662	\$ 14,675	\$ 427,352	\$ 296,887	\$ 133,298	\$ -
	<b>SalesTotal</b>	\$ 46,628,796	\$ 50,666,575	\$ 53,213,449	\$ 66,580,220	\$ 64,266,725	\$ 33,204,283	\$ 89,304,858	\$ 83,011,280	\$ 90,511,234
SCH B**	<b>ArtWorkDeduction</b>	\$ 16,973,981	\$ 13,036,952	\$ 14,913,769	\$ 14,738,445	\$ 14,792,632	\$ 14,936,209	\$ 13,593,767	\$ 20,669,229	\$ 15,593,862
	<b>Other Exempt/Deduc</b>	\$ 59,450,371	\$ 65,863,512	\$ 65,055,651	\$ 88,598,609	\$ 84,265,266	\$ 39,598,685	\$ 55,611,675	\$ 85,072,333	\$ 85,072,333
	<b>TotalDeductions</b>	\$ 34,289,493	\$ 40,547,543	\$ 40,220,909	\$ 52,080,203	\$ 49,600,738	\$ 26,596,226	\$ 38,140,452	\$ 50,333,098	\$ 50,333,098
	<b>NetTaxableSchd</b>	\$ 8,045,768	\$ 9,437,398	\$ 10,119,032	\$ 12,992,540	\$ 14,500,017	\$ 14,665,987	\$ 6,608,057	\$ 51,164,406	\$ 13,468,006

\*Data not available  
 \*\*Data as reported, aligns with fields on T-204W Annual, with certain fields truncated for relevancy.

## Artistic Works Sold by Exempt Artists Monthly Breakdown 2014-2022

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>JANUARY</b>	3,478	5,920	6,476	8,350	7,731	7,605	11,009	8,954	6,219
<b>FEBRUARY</b>	4,128	4,266	7,662	8,253	9,581	8,692	12,403	9,963	7,784
<b>MARCH</b>	3,946	6,556	7,753	8,551	10,618	8,540	7,637	9,987	8,632
<b>APRIL</b>	4,700	8,059	11,084	11,650	12,738	11,150	8,251	14,665	10,831
<b>MAY</b>	7,651	11,246	14,120	15,476	19,081	16,472	8,807	19,280	14,428
<b>JUNE</b>	9,152	13,677	15,151	16,471	18,773	17,900	10,878	22,680	15,493
<b>JULY</b>	14,370	14,527	20,104	22,547	24,270	20,434	16,041	30,374	23,641
<b>AUGUST</b>	11,302	15,296	21,169	22,141	24,517	24,130	17,368	30,774	19,780
<b>SEPTEMBER</b>	10,613	17,784	17,410	18,614	19,589	17,897	16,929	29,271	17,641
<b>OCTOBER</b>	14,315	18,184	18,944	19,494	22,739	20,194	18,130	27,823	25,421
<b>NOVEMBER</b>	12,880	17,078	31,153	30,540	38,542	25,439	22,238	37,660	26,985
<b>DECEMBER</b>	29,653	30,380	41,826	39,564	46,504	42,104	35,869	58,415	39,593

\* The monthly breakdown is based on information as reported by taxpayers, some of which do not break down the monthly sales, and represents unaudited information. The Division has manually reviewed outliers – in cases where these outliers were found to be dollars instead of counts, they have been removed from the total.