

**STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE
DIVISION OF TAXATION**

INSTRUCTIONS FOR PREPARING SALES & USE TAX RETURN

Gross Sales and Exemptions

LINE 1: **Gross Sales.** Include GROSS sales for the specific period.

Exemptions:

LINE 2a: **Resale.** Enter total sales made during the period for which resale certificates have been accepted.

LINE 2b: **Interstate sales.** Enter the total amount of sales made to out of state customers, where delivery was provided by seller outside of Rhode Island.

LINE 2c: **Non-taxable Sales and Services.** Enter the total amount of non-taxable sales or services; such as motor vehicle sales, prescription drug sales, fuels, coffins, caskets, urns, breast pump collection and storage supplies.

LINE 2d: **Exempt Organizations.** Enter the total amount of sales to exempt organizations for which exemption certificates have been accepted.

LINE 2e: **Other.** If you have a deduction that does not have its own line, enter the amount on line 2e and provide a description of the deduction.

Motor Vehicle Dealers Only: On the specification line you must write "MV Sale" (motor vehicle sales). The amount listed should include all in state and out of state motor vehicle sales.

Alcoholic Class A Liquor License Only: On the specification line you must write "WSE" (wine – spirits exemption). The amount listed should include wine and spirits sales only.

Writers, Composers and Artists: On the specification line you must write "AVE" (artwork exemption) and the count of pieces sold. The amount listed should include exempted artwork deductions only.

LINE 3: **Total Deductions.** Add lines 2a through 2e and enter the amount on this line.

LINE 4: **Taxable Sales.** Subtract line 3 from line 1.

Credits and Tax Due

LINE 5: **Trust Fund Sales Tax Due and Required to be Remitted.** Multiply line 4 times 7% (0.07) and enter the amount on this line.

A deduction is not allowed on any item or service when tax is collected from the consumer. When the tax collected for the period exceeds the amount calculated, the collected amount must be remitted.

LINE 6: **Use Tax Due.** Use the table in the next column to determine the amount of Use Tax Due. Enter the cost of tangible personal property purchased outside of Rhode Island tax free for use, storage or consumption by you in this state or the cost of tangible personal property purchased for resale and subsequently used or consumed by you during the period rather than being sold. Also, include on this line the amount of any other transactions during this period subject to the sales and use tax purchased without payment of the tax.

Use Tax Worksheet	
1. Total sale price of purchases subject to the use tax	
2. Total sale price from additional schedules (if needed)	
3. Total sale price of all purchases subject to the use tax. Add lines 1 and 2	
4. Amount of tax. Multiply total sale price of purchases from line 3 by 7% (0.0700)	
5. Credit for sales or use taxes paid on these purchases in other states	
6. TAX DUE ON PURCHASES. Subtract line 5 from line 4	

A listing of all purchases should be kept in accordance with Regulation 280-RICR-20-70-25.

Motor Vehicle Dealers Only: The amount listed should include all Sales Tax collected on motor vehicle sales from residents of non-reciprocal states only.

The following are non-reciprocal states:

- Arizona
- Indiana
- California
- Massachusetts
- Florida
- Michigan
- Hawaii

LINE 7: **Total Sales Tax and Use Tax Due.** Add lines 5 and 6 enter the total on this line.

LINE 8a: **Prepaid Sales Tax on Cigarettes (Licensed Cigarette Dealers Only).** Enter the amount of prepaid sales tax on cigarettes purchased during the period.

LINE 8b: **Other.** If you have a credit that does not have its own line, enter the amount on line 8b and provide a description of the credit.

Examples of allowable credits are room resellers, sales tax paid to hotels and the amount of tax retained by an approved TIF entity.

LINE 9: **Total Credits.** Add lines 8a and 8b and enter the total on this line.

LINE 10: **Sales Tax Due.** Subtract line 9 from line 7 and enter the total on this line.

CERTIFICATION SECTION: This return 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 form to:
RI Division of Taxation
One Capitol Hill
Providence, RI 02908
Attn: Tax Processing

NOTE: You may be required to file and pay sales tax electronically. For more information refer to Advisory 2022-23 under Guidance on the Division of Taxation's website - <https://tax.ri.gov/guidance/advisories>

Attention filers, you can file this form online using the RI Division of Taxation's portal!

Visit: <https://taxportal.ri.gov> for more information.