



Rhode Island Department of Revenue

Division of Taxation

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SALES AND USE TAX

ADVISORY FOR TAX PROFESSIONALS
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Division reminds remote sellers about registration options

Websites or other out-of-state retailers may choose direct or Streamlined approach

PROVIDENCE, R.I. – In light of last week’s United States Supreme Court ruling involving sales and use tax (*South Dakota v. Wayfair, Inc., et al.*), remote sellers that seek to collect and remit Rhode Island sales and use tax are reminded that they have a number of options for registering.

DIRECT REGISTRATION

For example, remote sellers may register directly with the Rhode Island Division of Taxation by using the Division of Taxation’s “Business Application and Registration” form, which is available online: http://www.tax.ri.gov/forms/2017/Misc/TX_BAR_092017.pdf. Remote sellers with questions about registering with the Division of Taxation should call (401) 574-8955, or email: Tax.Excise@tax.ri.gov. The Division is open to the public from 8:30 a.m. to 3:30 p.m. Eastern time business days.

STREAMLINED REGISTRATION

Remote sellers should also keep in mind that Rhode Island is one of 24 member states of the Streamlined Sales Tax Governing Board. By adopting and adhering to the Streamlined Sales and Use Tax Agreement, Rhode Island has simplified its sales and use tax administration, thus substantially reducing the burden of tax compliance. Remote sellers may use the [Streamlined Sales Tax Registration System](#) to register with all Streamlined states (including Rhode Island) at once.

Remote sellers also have the option to use a “certified service provider” or CSP. A CSP is an agent certified under the Streamlined Sales and Use Tax Agreement to perform all the seller’s sales and use tax functions (other than the seller’s obligation to remit tax on its own purchases).

A CSP is designed to allow a business to outsource most of its sales tax administration responsibilities. The software system of a CSP interfaces with the seller’s accounting system to identify which products and services are taxable, apply the appropriate tax rate, and maintain a record of the transaction. In addition, the CSP will also provide the services necessary to:

- set-up and integrate the CSP’s software with the seller’s system;
- prepare and file the required tax returns;
- remit the tax to each of the Streamlined member states;
- resolve any notices or audits by any Streamlined member states; and
- protect the privacy of the tax information it obtains.

The Streamlined website has more information about registering with all Streamlined states at once, and about CSPs. To learn more, see the [registration page of the Streamlined website](#).

BACKGROUND AND EXPLANATION

Under Rhode Island legislation enacted in August 2017, a “non-collecting retailer” – such as an out-of-state retailer that sells taxable goods or services via its website – must register with the Rhode Island Division of Taxation and collect and remit Rhode Island sales/use tax.

However, Rhode Island law also says that a non-collecting retailer, instead of registering with the Division and collecting and remitting tax, may provide a series of notices to each of its Rhode Island customers who have cumulative annual taxable purchases from the non-collecting retailer totaling \$100 or more for the prior calendar year. The notices are intended to help taxpayers determine their Rhode Island use tax obligation.

To learn more about the Rhode Island legislation enacted in August 2017, use the following link: <https://go.usa.gov/xRGwT>.

SUPREME COURT CASE

To view the Supreme Court case, decided June 21, 2018, see *South Dakota v. Wayfair, Inc., et al.*: https://www.supremecourt.gov/opinions/17pdf/17-494_j4el.pdf.

The Rhode Island Division of Taxation office is at One Capitol Hill in Providence, R.I., diagonally across from the Smith Street entrance of the State House, and is open to the public 8:30 a.m. to 3:30 p.m. business days. To learn more, see the agency's website: www.tax.ri.gov.
