



Rhode Island Department of Revenue

Division of Taxation

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SALES AND USE TAX

ADVISORY FOR TAX PROFESSIONALS
SEPTEMBER 20, 2019

Sales tax applies to specified digital products starting October 1

Included are digital movies, TV shows, books, and music – streamed or downloaded

PROVIDENCE, R.I. – The Rhode Island Division of Taxation reminds tax professionals, taxpayers, tax software providers, businesses, and others that Rhode Island's 7% sales and use tax will apply to specified digital products starting October 1, 2019.

The term “specified digital products” means digital movies, digital TV shows, digital books, digital music, and related items that are streamed or downloaded to computers, phones, or other devices.

The term also includes subscriptions to streaming audio and streaming visual products – such as films, shows, and music that are streamed or downloaded to computers, phones, or other devices.

More information

To learn more about Rhode Island tax provisions that take effect October 1, 2019, see the Rhode Island Division of Taxation's “Summary of Legislative Changes” publication. To view, click [here](#).

Technically, the term “specified digital products” refers to electronically transferred:

- “Digital audio-visual works” – which means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any;
- “Digital audio works” – which means works that result from the fixation of a series of musical, spoken, or other sounds, including ringtones; and
- “Digital books” – which means works that are generally recognized in the ordinary and usual sense as “books”.

For purposes of the definition of “digital audio works”, “ringtones” means digitized sound files that are downloaded onto a device and that may be used to alert the customer with respect to a communication.

Remote sellers, marketplace facilitators

The new law makes it clear that specified digital products sold by or through remote sellers, marketplace facilitators, and referrers are also subject to Rhode Island's 7% sales and use tax.

Furthermore, every retailer -- including those with no physical presence in Rhode Island -- that sells specified digital products for storage, use, or other consumption in Rhode Island must register with the Rhode Island Division of Taxation.

You may [register with the Division online](#), or register by completing and submitting the [Business Application and Registration \(BAR\) form](#), or register [online through the Streamlined Sales and Use Tax Governing Board website](#). (The Streamlined option lets a remote seller register with any or all of 24 Streamlined member states, including Rhode Island.)

Once you are registered with the Division of Taxation, you may [pay online](#): When you pay online, your payment represents your return. Or you may file and pay using Rhode Island sales and use tax coupons. ([Blank forms](#) are on the Division's website.)

Alternatively, you may register with Rhode Island (and other states that are members of the Streamlined Sales and Use Tax Agreement) through [the Streamlined website](#). If you use a [certified service provider \(CSP\)](#) through Streamlined, the CSP will handle filings and payments for you. (Depending on the circumstances, you may not be charged for the CSP's service.)



The extension of the sales and use tax to specified digital products was included in legislation that was approved by the Rhode Island General Assembly and signed into law by Governor Gina M. Raimondo on July 5, 2019.¹

For more information

For more information, call the Division's Excise & Estate Tax unit at (401) 574-8955 (the line is typically staffed from 8:30 a.m. to 3:30 p.m. Eastern Time business days), or email: Tax.Excise@tax.ri.gov.

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.

¹ See, among other things, Rhode Island Public Law 2019, chapter 88, article 5, section 9.