



# Rhode Island Department of Revenue

## Division of Taxation

ADV 2019-25  
TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS  
SEPTEMBER 30, 2019

### **Tax changes take effect tomorrow, October 1**

*Feminine hygiene products, urns, specified digital products, and E-911 charges are affected*

PROVIDENCE, R.I. – Starting tomorrow, October 1, Rhode Island’s 7% sales and use tax will no longer apply to feminine hygiene products and urns.

Also starting tomorrow, the sales and use tax will be extended to e-books, streaming video, music downloads, and other “specified digital products”.

Furthermore, the monthly E-911 surcharge that applies to residential and business phone lines, as well as to cell phones, will be split into two separate charges – one as the emergency services surcharge, the other as the first response surcharge.

The changes are the result of legislation approved by the Rhode Island General Assembly and signed into law by Rhode Island Governor Gina M. Raimondo on July 5, 2019.<sup>1</sup> Following is a summary.

#### **More information**

To learn more about tax provisions contained in the State of Rhode Island budget bill signed into law on July 5, 2019, see the Rhode Island Division of Taxation’s “Summary of Legislative Changes” publication. To view, click [here](#).

### **Tampons and other feminine hygiene products**

According to the new law, the “feminine hygiene products” category includes tampons, panty liners, menstrual cups, sanitary napkins, and “other similar products the principal use of which is feminine hygiene in connection with the menstrual cycle”. They will be exempt from Rhode Island’s sales and use tax effective October 1, 2019.

### **Urn**

The new law exempts – from Rhode Island’s sales and use tax – the sale, storage, use, or other consumption in Rhode Island of urns that are ordinarily sold by a funeral director as part of the business of funeral directing. Urns will be exempt beginning October 1, 2019.

Already exempt are coffins and caskets, as well as shrouds and other burial garments that are ordinarily sold by a funeral director as part of the business of funeral directing.

<sup>1</sup> Rhode Island Public Law 2019, chapter 88, article 2 and article 5.

## **Digital movies, music, books**

“Specified digital products” are subject to Rhode Island sales and use tax effective October 1, 2019. The term “specified digital products” includes 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.

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.

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 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. For more details, click [here](#).

## **E-911 surcharge**

The monthly E-911 surcharge on residence and business phone lines will be split into two separate charges – one as the emergency services surcharge, the other as the first response surcharge – effective October 1, 2019. The same principle will apply to the E-911 surcharge on wireless, cellular, and other such devices. For more details about the E-911 surcharge, click [here](#).

## **For more information**

For more information about the tax changes that take effect October 1, 2019, 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](mailto: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](http://www.tax.ri.gov).*