



# Rhode Island Department of Revenue

## Division of Taxation

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TAX ADMINISTRATION

INFORMATION FOR TAXPAYERS AND TAX PROFESSIONALS  
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### **FAQs for restaurants and bars that are subject to early-closing order** *Division provides further details on grants of up to \$10,000 for affected entities*

PROVIDENCE — The Rhode Island Division of Taxation provides the following information regarding a relief program announced on November 5, 2020, by Governor Gina M. Raimondo for restaurants and bars that have been ordered to close earlier than usual because of the coronavirus (COVID-19) pandemic.

Governor Raimondo developed the relief program to coincide with her Executive Order that mandates early shutdown for bars and restaurants: Effective on Sunday, November 8, 2020, all restaurants and bars must end service at 10:00 p.m. on Sunday through Thursday and 10:30 p.m. on Friday and Saturday. (Restaurants may stay open after the new closing hours for take-out, delivery and drive-through service only.)

The new provisions involving closing hours will remain in effect for two weeks (unless extended by Executive Order) and are part of a range of measures aimed at limiting the spread of the coronavirus and reducing the rising number of coronavirus cases.<sup>1</sup>

This document is an informal, plain-language summary of the relief program available for certain restaurants and bars that are subject to the early-closure requirement described in Rhode Island Governor Gina M. Raimondo's [Executive Order 20-95](#), issued November 5, 2020. It is not a substitute for State of Rhode Island statutes, regulations, or other official statements.

#### **Q: What is the relief program about?**

In general, the relief program is available to restaurants and bars that are active taxpayers that remit Rhode Island sales tax and meals and beverage tax and that hold liquor licenses that allow for liquor consumption on premise.

Under the program, the Division of Taxation will issue grants to each such licensee who remitted sales tax and meals and beverage tax to the Division for the months of July, August, and September 2020, and whose business is adversely affected by the early closing hours which began on Sunday, November 8, 2020.

#### **Q: Who is eligible?**

As a restaurant and/or bar, you must meet the following criteria:

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<sup>1</sup> See Executive Order No. 20-95: <https://governor.ri.gov/documents/orders/Executive-Order-20-95.pdf>

- You must be registered with the Division of Taxation and have an active meals and beverage tax account;
- You must hold a liquor license (or BYOB license) that permits serving liquor on premise;
- You must have filed and paid sales tax and meals and beverage tax to the Division of Taxation for the months of July, August, and September 2020, and you must have a record of the payments that is quantifiable and verifiable; and
- You must have a demonstrated COVID-19 impact on your business, as a result of the early-closure requirement, that is quantifiable and verifiable.

**Q: If I have a restaurant and I don't meet the above eligibility requirements, is there help for me?**

Not through this program, but you can call (401) 521-HELP - the Commerce Corporation may have other programs.

**Q: Is the application form online or on paper?**

It is an online application.

**Q: How and when do I apply?**

The Division has created a webpage that includes information about the program, including a link to the online application form: <http://www.tax.ri.gov/RIcares/>. (See screenshot on this page.)

**CORONAVIRUS RELIEF FUND/CARES ACT GRANT PROGRAM FOR RESTAURANTS/BARS WITH LIQUOR LICENSES**

**Grant Program Eligibility and Requirements**

On November 5, 2020 Governor Gina Raimondo announced a Coronavirus Relief Fund grant program for businesses affected by Executive Order 20-95 which requires an early shutdown for certain bars and restaurants.

This Coronavirus Relief Fund grant program is aimed at those certain bars and restaurants directly impacted by the mandated early shutdown. To qualify you must show and attest to the monetary loss to your business.

Who is eligible:

1. Bar and restaurant owners impacted by the early shutdowns mandated by Executive Order 20-95 issued on November 5, 2020 and effective on November 8, 2020
2. Registered with the RI Division of Taxation
3. Maintain an active Meals and Beverage account with the RI Division of Taxation
4. Maintain an active Liquor License to consume alcoholic beverages onsite
5. Have filed and paid Sales tax AND Meals and Beverage tax for the months of July, August and September of 2020. \* (see the FAQs for additional information)
6. Have proof of impact

Grants will range in amounts from \$2,000 to \$10,000.

Don't miss out - **APPLY TODAY!**

**THE DEADLINE TO**

**Important Information**

- [FAQs](#)
- [Advisory](#)
- [Governor's Executive Order](#)

Don't meet the criteria for this grant program yet believe you have an impacted restaurant?

CALL (401) 521-HELP

**Q: How soon may I apply?**

Applications may be filed now.

**Q: What is the application deadline?**

The deadline for filing your application is Tuesday, December 15, 2020.

**Q: If I qualify for the grant, how much will I receive?**

Each such grant will range from a minimum of \$2,000 to a maximum of \$10,000. The grants are intended to help offset the loss in business as a result of the early-closure requirement, and must be used for payment or reimbursement of operating costs incurred between March 1, 2020, and December 20, 2020.

An applicant's grant is calculated to be seventy-five percent (75%) of the average sales tax and meals and beverage tax paid by the applicant for the months of July, August, and September of 2020. If that calculation is less than \$2,000, the grant will be \$2,000. If that calculation is more than \$10,000, the grant will be \$10,000.

**Q: When will the checks be mailed?**

Within two weeks from the date the application has been received (assuming that you have filed a complete and accurate application and you qualify for the grant). Please note that the grants will be issued only to viable businesses that must scale back their closing hours due to the COVID-19 pandemic in accordance with the Governor's Executive Order No. 20-95.

**Q: Where will my check be sent?**

It will be mailed to the address associated with your meals and beverage account.

**Q: How will I receive my grant?**

The Division will mail the grant in the same manner as it mails tax refunds; due to system requirements, your check will be labeled as a tax refund – but it is really a grant.

**Q: What information should I gather before I begin the application?**

- Your sales tax permit number;
- Your liquor license number; and
- Your sales tax and meals and beverage tax filing information for the months of July, August, and September 2020.

For more information, please see below.

**Q: What types of information will I be asked for on the application?**

Among the information that you must provide on the application form:

- Your full business name;
- Your federal employer identification number (FEIN);
- The address of your principal place of business;
- Your mailing address (if different from above);
- Your sales tax permit number (enter only one, even if multiple locations);
- Your liquor license number (the one associated with the sales tax permit number above);
- Name and other information of the authorized individual who is completing the application;
- Confirmation of eligibility based on qualifications for the grant program;
- How much the business paid, in sales tax and meals and beverage tax, for the month of July 2020;

- How much the business paid, in sales tax and meals and beverage tax, for the month of August 2020;
- How much the business paid, in sales tax and meals and beverage tax, for the month of September 2020;
- Acknowledgments regarding eligibility and qualifications for the grant program; and
- Attestations as to eligibility requirements and authorizations necessary to receive a grant.

Please see the application form for more details.

**Q: In the application, shall I attest as to the adverse impact the pandemic has had on my business so far this year, or to the impact that the new early-closure requirement is having on my business?**

In her written announcement about the new closing hours, Governor Raimondo said the following:

“These businesses will need to attest that they were affected by this early closure, and then they can expect their grant from the Division of Taxation within 30 days. We know these grants might not make up for what has been an extraordinarily difficult time, but we hope it will help as we make another round of temporary sacrifices to stop the second wave.”

**Q: So, if I file my application now, I should include not only the actual adverse financial impact that the early-closure requirement has had on my business since November 8, 2020, but also an estimate of the adverse financial impact that the early-closure requirement will have on my business for the remaining days that the early-closure requirement is in effect?**

The grant is intended to offset business losses associated with the early-closure requirement and you must report that you have experienced business interruption and revenue loss as a result of the Executive Order No. 20-95 and attest to the same as a result of the ongoing COVID-19 public health emergency.

**Q: The application asks for my federal employer identification number (FEIN). What if I don't have one?**

If you don't have a federal employer identification number (FEIN), contact the Division of Taxation at (401) 574-8484 to obtain your entity-level identification number to include on your application.

**Q: I have multiple locations. Do I need to submit multiple applications?**

No. Each taxpayer, regardless of the number of entities, only needs to file one application and is eligible for one grant up to \$10,000. Tax payments at all business locations will be included in the calculation of the grant.

**Q: I don't have a liquor license number. What should I enter on the application form?**

If you do not have a liquor license that allows for liquor consumption on the premise, then you do not qualify for the grant program. If you have a liquor license and need your liquor license number, you should contact the issuer of the license to obtain that information.

**Q: I haven't filed my meals and beverage taxes yet. What should I do?**

You must file and pay your sales tax and meals and beverage tax for the months of July, August, and September of 2020 if you had a filing requirement for those months prior to submitting an application in order to qualify for the grant program. If you do not file and pay your sales tax and meals and beverage tax for the months of July, August, and September of 2020, then you are not eligible and will not receive a grant.

**Q: How will I know if I qualify for a grant once my application is submitted?**

The Division of Taxation will publish information regarding those applicants that will be receiving a grant and will notify those applicants that do not qualify for a grant.

**Q: What is the source of funds for the relief program?**

The relief program will be paid for through federal funds that have been made available to the states for COVID-19 pandemic relief.

**Q: Will the grants be treated as taxable income?**

Yes. The grants will represent taxable income. The Division will mail recipients a Form 1099 in early 2021 showing the amount of their grant, which they will have to report as income on their tax returns for the 2020 tax year.

**Q: Will a list be made public naming each applicant and the grant amount that each applicant received?**

Yes. The Division expects to post the list as soon as is practicable.

**Q: How can I get more information about the relief program?**

Call the Division at (401) 574-8484, from 8:30 a.m. to 3:30 p.m. business days. Keep in mind that the Division's office will be closed on Wednesday, November 11, 2020, in honor of Veterans Day, which is a State holiday.

**Q: May these FAQs be updated?**

They may. As a result, you should check the Division's relief program webpage for updates: <http://www.tax.ri.gov/RIcares/>.