NOTICE TO ALL HOLDERS OF RETAIL SALES PERMITS: ELIMINATION OF FEE STARTING NEXT YEAR

As a result of legislation recently approved in the 2021 session of the Rhode Island General Assembly and signed into law by Rhode Island Governor Daniel J. McKee, changes have been made involving the fee to apply for a sales permit and the fee to renew a sales permit. The changes apply for permit periods that begin on or after July 1, 2022 (i.e., approximately one year from now).

Application

Under Rhode Island General Laws § 44-19-1(a)(1), every person or entity making sales at retail in Rhode Island (or conducting certain other types of business) must file with the Division of Taxation an application for a permit for each place of business. That requirement has not changed. However, the fee has been eliminated for permit periods that begin on or after July 1, 2022.

Example:

Retailer A applies for a sales permit covering the period of July 1, 2021, through June 30, 2022. In this example, the retailer must pay the ten-dollar ($10.00) application fee.

Example:

Retailer B applies for a sales permit covering the period of July 1, 2022, through June 30, 2023. In this example, the retailer shall not be charged the ten-dollar ($10.00) application fee. That is because the fee has been eliminated for permit periods that begin on or after July 1, 2022.

Renewal

Under Rhode Island General Laws § 44-19-1(a)(2), every sales permit holder who seeks to continue making sales at retail in Rhode Island (or conducting certain other types of business) must renew that permit with the Division of Taxation annually. That requirement has not changed. However, the fee has been eliminated for permit periods that begin on or after July 1, 2022.

Example:

Retailer A renews its sales permit now, so that the retailer may be issued a permit covering the period of July 1, 2021, through June 30, 2022. In this example, the retailer must pay the ten-dollar ($10.00) application fee.

1 House Bill 6122 Substitute A as amended: [http://webserver.ri.in.us/BillText/BillText21/HouseText21/H6122Aaa.pdf](http://webserver.ri.in.us/BillText/BillText21/HouseText21/H6122Aaa.pdf)
Example:
Retailer B renews its sales permit on or before February 1, 2022, so that the retailer may be issued a permit covering the period of July 1, 2022, through June 30, 2023. In this example, the retailer shall not be charged the ten-dollar ($10.00) application fee. That is because the fee has been eliminated for permit periods that begin on or after July 1, 2022.

Suspension/Revocation
Under Rhode Island General Laws § 44-19-2, if a retailer applies for a sales permit, or files to renew an existing permit, and owes any Rhode Island tax, penalty, or interest (under Title 44 of the Rhode Island General Laws), the amount owed must be paid. That requirement has not changed. However, under the new law, a retailer whose permit has been previously suspended or revoked will not be required to pay the ten-dollar ($10.00) fee for the renewal or issuance of a Rhode Island sales permit for permit periods beginning on or after July 1, 2022. Note: Although the fee is eliminated as described in this paragraph, there is no change to the Division’s authority to take enforcement action involving those who fail to comply with Rhode Island’s sales/use tax statutes.

Contact Information
For questions about this Notice, or about the sales/use tax or related subjects, contact the Rhode Island Division of Taxation’s Excise & Estate Tax area by telephone at (401) 574-8955, by email: Tax.Excise@tax.ri.gov, or by mail: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908.

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