

2016 -- S 2036

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LC003157
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO TAXATION - SALES AND USE TAXES - LIABILITY AND
COMPUTATION

Introduced By: Senators Walaska, Lombardo, and McCaffrey

Date Introduced: January 13, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-18-7.3 of the General Laws in Chapter 44-18 entitled "Sales and
2 Use Taxes - Liability and Computation" is hereby amended to read as follows:

3 **44-18-7.3. Services defined.** -- (a) "Services" means all activities engaged in for other
4 persons for a fee, retainer, commission, or other monetary charge, which activities involve the
5 performance of a service in this state as distinguished from selling property.

6 (b) The following businesses and services performed in this state, along with the
7 applicable 2007 North American Industrial Classification System (NAICS) codes, are included in
8 the definition of services:

9 (1) Taxicab and limousine services including but not limited to:

10 (i) Taxicab services including taxi dispatchers (485310); and

11 (ii) Limousine services (485320).

12 (2) Other road transportation service including but not limited to:

13 (i) Charter bus service (485510); and

14 (ii) All other transit and ground passenger transportation (485999).

15 (3) ~~Pet care services (812910) except veterinary and testing laboratories services.~~

16 (4)(i) "Room reseller" or "reseller" means any person, except a tour operator as defined
17 in § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as
18 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the

1 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a
2 portion of the rental and other fees to the room reseller or reseller, room reseller or reseller shall
3 include, but not be limited to, sellers of travel packages as defined in this section.
4 Notwithstanding the provisions of any other law, where said reservation or transfer of occupancy
5 is done using a room reseller or reseller, the application of the sales and use under §§ 44-18-18
6 and 44-18-20, and the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or
7 reseller is required to register with and shall collect and pay to the tax administrator the sales and
8 use and hotel taxes, with said taxes being calculated upon the amount of rental and other fees paid
9 by the occupant to the room reseller or reseller, less the amount of any rental and other fees paid
10 by the room reseller or reseller to the hotel. The hotel shall collect and pay to the tax
11 administrator said taxes upon the amount of rental and other fees paid to the hotel by the room
12 reseller or reseller and/or the occupant. No assessment shall be made by the tax administrator
13 against a hotel because of an incorrect remittance of the taxes under this chapter by a room
14 reseller or reseller. No assessment shall be made by the tax administrator against a room reseller
15 or reseller because of an incorrect remittance of the taxes under this chapter by a hotel. If the
16 hotel has paid the taxes imposed under this chapter, the occupant and/or room reseller or reseller,
17 as applicable, shall reimburse the hotel for said taxes. If the room reseller or reseller has paid said
18 taxes, the occupant shall reimburse the room reseller or reseller for said taxes. Each hotel and
19 room reseller or reseller shall add and collect from the occupant or the room reseller or the
20 reseller the full amount of the taxes imposed on the rental and other fees. When added to the
21 rental and other fees, the taxes shall be a debt owed by the occupant to the hotel or room reseller
22 or reseller, as applicable, and shall be recoverable at law in the same manner as other debts. The
23 amount of the taxes collected by the hotel and/or room reseller or reseller from the occupant
24 under this chapter shall be stated and charged separately from the rental and other fees, and shall
25 be shown separately on all records thereof, whether made at the time the transfer of occupancy
26 occurs, or on any evidence of the transfer issued or used by the hotel or the room reseller or the
27 reseller. A room reseller or reseller shall not be required to disclose to the occupant the amount of
28 tax charged by the hotel; provided, however, the room reseller or reseller shall represent to the
29 occupant that the separately stated taxes charged by the room reseller or reseller include taxes
30 charged by the hotel. No person shall operate a hotel in this state, or act as a room reseller or
31 reseller for any hotel in the state, unless the tax administrator has issued a permit pursuant to §
32 44-19-1.

33 (ii) "Travel package" means a room or rooms bundled with one or more other, separate
34 components of travel such as air transportation, car rental or similar items, which travel package

1 is charged to the customer or occupant for a single retail price. When the room occupancy is
2 bundled for a single consideration, with other property, services, amusement charges, or any other
3 items, the separate sale of which would not otherwise be subject to tax under this chapter, the
4 entire single consideration shall be treated as the rental or other fees for room occupancy subject
5 to tax under this chapter; provided, however, that where the amount of the rental or other fees for
6 room occupancy is stated separately from the price of such other property, services, amusement
7 charges, or other items, on any sales slip, invoice, receipt, or other statement given the occupant,
8 and such rental and other fees are determined by the tax administrator to be reasonable in relation
9 to the value of such other property, services, amusement charges or other items, only such
10 separately stated rental and other fees will be subject to tax under this chapter. The value of the
11 transfer of any room or rooms bundled as part of a travel package may be determined by the tax
12 administrator from the room reseller's and/or reseller's and/or hotel's books and records that are
13 kept in the regular course of business.

14 (c) The tax administrator is authorized to promulgate rules and regulations in accordance
15 with the provisions of chapter 42-35 to carry out the provisions, policies, and purposes of this
16 chapter.

17 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would repeal the sales tax on pet care services.
- 2 This act would take effect upon passage.

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