



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
One Capitol Hill
Providence, R.I. 02908-5886

MEMORANDUM

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee

The Honorable William J. Conley, Jr.
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: February 25, 2019

Subject: Amendments to Article 5 of the FY 2020 Appropriations Act
(19-H-5151)

The Governor requests that Article 15 entitled "Relating to Taxes, Revenues and Fees" be amended as follows.

In Section 3, the registration fee for Debt Collectors was intended to be changed from \$100 to \$750. The following change is required to correct the appropriations act language.

Page 166, lines 16 – 17, replace "five hundred dollars (~~\$100~~ 500)" with "seven hundred and fifty dollars (~~\$100~~ 750)".

In Section 13, the tobacco distributor and dealer's license fees were intended to be set at \$400, not \$250. The following change is required to correct the appropriations act language.

Page 220, Line 21, replace "two hundred fifty dollars (~~\$100~~ 250.00)" with "four hundred dollars (~~\$100~~ 400.00)".

Page 220, Line 23, replace "two-hundred and fifty dollars (~~\$250.00~~)" with "four hundred dollars (~~\$400.00~~)".

In Section 19, the Governor requests that new language be added to expand the use of funds under the OSPAR statute for resiliency projects.

Page 235, after Line 14, insert the following language: "Fund a grant program for municipalities and state agencies to undertake projects that invest in measures that adapt infrastructure on public lands to the impacts of climate change to protect or enhance natural systems and habitats."

Amendment to Article 5

February 25, 2019

Page 2

The Governor also requests that the attached new section be added to Article 5. This new section would eliminate the annual ten-dollar (\$10.00) Sales Tax permit fee. The elimination of the Sales Tax permit fee (but retention of the permits and renewal processes) on the Business Application and Registration form is part of an effort by the Division of Taxation to facilitate free online registration and renewal processes to ease regulatory burden on businesses. With more registrations from online retailers, Taxation is anticipating an increase in the number of registrants and this will ease that process. The elimination of this fee will decrease revenues by approximately \$322,000 annually.

If you have any questions regarding these amendments, please feel free to call me at 222-6300.

TAM: 20-Amend-6

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration
Jonathan Womer, Director, Office of Management and Budget
Neena Savage, Tax Administrator

New Section – Article 5

SECTION X. Section 44-19-1 and 44-19-2 of the General Laws in Chapter 44-19 entitled “Sales and Use Taxes – Enforcement and Collection” is hereby amended to read as follows:

44-19-1. Annual permit required – Retail business subject to sales tax – Promotion of shows – Revocation of show permit.

(a)(1) Every person desiring to engage in or conduct within this state a business of making sales at retail, or engage in a business of renting living quarters in any hotel, rooming house, or tourist camp, the gross receipts from which sales or rental charges are required to be included in the measure of the tax imposed under chapter 18 of this title, shall file with the tax administrator an application for a permit for each place of business. The application shall be in a form, include information, and bear any signatures that the tax administrator may require. ~~At the time of making an application, the applicant shall pay to the tax administrator a permit fee of ten dollars (\$10.00) for each permit.~~ There shall be no fee for this permit. Every permit issued under this chapter expires ~~on June 30 of each year at the times prescribed by the tax administrator.~~

(2) Every permit holder shall annually, ~~on or before February 1~~ on forms prescribed and at the times prescribed by the tax administrator of each year, renew its permit by filing an application ~~for renewal along with a ten dollars (\$10.00) renewal fee.~~ The renewal permit is valid for the period July 1 of that calendar year through June 30 of the subsequent calendar year unless otherwise canceled, suspended or revoked. All fees received under this section are allocated to the tax administrator for enforcement and collection of all taxes.

(b) Every promoter of a show shall, at least ten (10) days prior to the opening of each show, file with the tax administrator a notice stating the location and dates of the show, in a form prescribed by the tax administrator.

(2) The tax administrator shall, within five (5) days after the receipt of that notice, issue to the promoter, without charge, a permit to operate the show, unless the provisions of subdivision (5) of this

subsection have been applied to the promoter. No promoter may operate a show without obtaining the permit. The permit shall be prominently displayed at the main entrance of the show.

(3) Any promoter who is a retailer shall comply with all of the provisions of this chapter and chapter 18 relating to retailers, in addition to all of the provisions of this chapter relating to promoters.

(4) A promoter may not permit any person to display or sell tangible personal property, services, or food and drink at a show unless that person is registered under subsection (a) of this section and displays his or her permit in accordance with the provisions of subsection (a) of this section.

(5) Any promoter who permits any person to display or sell tangible personal property, services, or food and drink at a show who is not registered, or does not display a permit, or fails to keep a record or file a monthly report of the name, address and permit number of every person whom the promoter permitted to sell or display tangible personal property, services, or food and drink at a show, is subject to revocation of all existing permits issued pursuant to this section to operate a show, and to the denial of a permit to operate any show for a period of not more than two (2) years, in addition to the provisions of § 44-19-31.

44-19-2. Issuance of permit – Assignment prohibited – Display – Fee for renewal after suspension or revocation.

Upon receipt of the required application and permit fee, the tax administrator shall issue to the applicant a separate permit for each place of business within the state. If the applicant, at the time of making the application, owes any tax, penalty, or interest imposed under ~~chapters 18 and 19~~ of this title, then before a permit is issued the applicant shall pay the amount owed. A permit is not assignable and is valid only for the person in whose name it is issued and for the transaction of business at the place designated in the permit. The permit shall at all times be conspicuously displayed at the place for which issued. ~~A retailer whose permit has been previously suspended or revoked shall pay to the tax administrator a fee of ten dollars (\$10.00) for the renewal or issuance of a permit.~~