



# Rhode Island Department of Revenue

## Division of Taxation

### **NOTICE:**

### **To ALL REFERRERS**

Please be advised that there is a new Rhode Island law<sup>1</sup> that may affect you. Below is a concise summary showing what you need to know about it:

1.) Under the law, you are considered a referrer if you do the following:

- Contract with a retailer to list/advertise for sale in Rhode Island taxable goods/services;
- Receive a fee, commission, or other compensation from a retailer for listing/advertising;
- Transfer via Internet or otherwise an in-state customer; and
- Do not collect payments from in-state customers for the transaction.

Please note: Review your contracts and agreements to determine your relationship with your vendors and customers.

2.) You must comply with the requirements of #3 below if in the preceding calendar year you had:

- \$100,000 in gross revenue from the sale of taxable goods/services delivered in Rhode Island; or
- 200 or more transactions of taxable goods/services delivered in Rhode Island.

3.) If you do any of the activities in #1 above that qualifies you as a referrer, here is what the law requires you to do starting on July 15, 2017 or two weeks after the law passes, whichever is later:

- At such time during the calendar year when you cumulatively receive more than \$10,000 from fees, commissions, or other compensation, notify retailers within 30 days that their sales may be subject to Rhode Island sales and use tax.

Please note that this concise summary is not a substitute for the law itself. Refer to the law for specific details on any of the above provisions.

You may contact the Rhode Island Division of Taxation with any questions or concerns at (401) 574-8955 or [tax.excise@tax.ri.gov](mailto:tax.excise@tax.ri.gov).

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<sup>1</sup> Rhode Island House Bill 5175, Substitute A as amended, Article 8, to be codified at Rhode Island General Laws § 44-18.2-1 *et seq.*