



Rhode Island Division of Taxation

State of Rhode Island and Providence Plantations
Department of Revenue

June 29, 2012

ADV 2012-15

Advisory:

Key tax changes take effect this weekend

The Rhode Island Division of Taxation today issued a reminder about some key state tax changes that will take effect this weekend. Following is a summary:

- **Tourism:** The tax on package tours and scenic and sightseeing services disappears at midnight this Saturday, June 30. The 7 percent tax first took effect in October 2011. But under legislation recently approved by the General Assembly and signed into law by Governor Lincoln D. Chafee, the tax is repealed, effective at midnight tomorrow. For more details, see [Notice 2012-06](#).
- **Cigarettes:** Starting this Sunday, July 1, the tax on cigarettes will increase by 4 cents, to \$3.50 per pack of 20. For more details: [Notice 2012-02](#) and [Notice 2012-03](#).
- **Little cigars:** More cigars will be treated as "little cigars" for tax purposes, due to a change in the definition of "little cigars" brought about by a new law. And because little cigars are treated the same as cigarettes, they will be taxed at \$3.50 per pack of 20, up 4 cents, starting this Sunday, July 1. For more details, see [Notice 2012-01](#).
- **Rental cars:** Starting this Sunday, July 1, the rental vehicle surcharge will be 8 percent, up from 6 percent now. For more details, see [Notice 2012-05](#).
- **Beverage containers:** Starting this Sunday, July 1, the Rhode Island beverage containers tax is expanded to include sports drinks, iced teas, iced coffees and the like. The tax is levied on each case sold by a beverage wholesaler, and is collected and remitted to the Tax Division by the wholesaler. For more details, see [Notice 2012-04](#).

"We're trying to spread the word about these important changes so that nobody will be caught by surprise," said Tax Administrator David M. Sullivan. The agency has already distributed notices and [posted on its website a summary of key changes](#). Anyone with questions may call the Excise Tax section at (401) 574-8955 from 8:30 a.m. to 4:00 p.m. business days.

Peter McVay, associate director of revenue services, pointed out that certain other state tax changes will not take effect until October 1, including the extension of the sales tax to clothing and footwear priced at more than \$250; taxicab services, limousine services, and charter bus services; and certain pet care services.

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