

State of Rhode Island - Division of Taxation

Sales and Use Tax

Regulation SU 01-49

Florists

Sales at retail by florists or other producers or sellers of flowers, wreaths, bouquets, potted plants, hospital baskets, funeral designs, and any and all other flowers, plants, or merchandise sold by them, are sales of tangible personal property to which the tax applies.

Where florists conduct transactions through a florist telegraphic delivery association, or otherwise by telephone, telegraph, or other means of telecommunication with other florists, the following rules will apply in the computation of the tax:

(A) On all orders taken by a Rhode Island florist and transmitted to a second florist in Rhode Island or elsewhere, for delivery by the second florist either in Rhode Island or elsewhere, the sending florist will be held liable for the collection and remittance of the tax on the total selling price of the flowers and other merchandise included in the sale.

(B) When, in addition to the total selling price of the merchandise, the sending florist makes a "service charge" separately stated from the price of the flowers, such charge to include the services of the florist as well as the cost of the message in transmitting the customer's order, no sales tax will apply on such service charge. In such a case, the florist will be considered as the consumer of any telegraph or telephone services involved in transmitting the customer's order, and such florist will therefore pay the tax to the telegraph and telephone company.

(C) In cases where Rhode Island florists receive instructions from other florists located either within or outside of Rhode Island, for the delivery of flowers, the receiving florist will not be held liable for the tax with respect to gross sales which he may realize from the transaction. In such instances, if the order originated in Rhode Island, the tax will be payable by the Rhode Island florist who first received the order and transmitted instructions to the second florist.

Supplies and materials purchased by florists which are used in the decoration, fabrication, creation, processing or preparation of flowers, plants, floral products, including descriptive labels, stickers and cards affixed to floral products are exempt from the sales and use tax.

R. GARY CLARK
TAX ADMINISTRATOR

EFFECTIVE: JANUARY 1, 2001

THIS REGULATION AMENDS AND SUPERSEDES REGULATION SU 89-49

PROMULGATED DECEMBER 31, 1989.