

# **State of Rhode Island - Division of Taxation**

## **Sales and Use Tax**

### **Regulation SU 07-92**

#### **Repairers and Reconditioners**

Repairmen are retailers of parts and materials furnished in connection with repair work in which the value of the parts and materials is substantial in relation to the total charge. This applies, for example, to repairers of motor vehicles, bicycles, machinery, refrigerators, musical instruments, radios, boats and furniture. The repairmen should segregate on the invoices to their customers and in their records the fair retail selling price of the parts and materials from the charges for labor of repair and installation and other services. If the labor and other services are not thus shown separately from the selling price of the property furnished, it will be presumed that the entire charge represents the sale price of the property. However, the retailer shall separately state such charges when requested by the customer. Failure by the retailer to comply with the customer's request to separately state the labor or service charges will subject the retailer to the penalty provisions set forth in chapter 6-13.1 entitled "Deceptive Trade Practices."

In such event that labor or service charges are separately stated, such charges are not subject to the imposition of the sales/use tax.

If, however, the value of the parts and materials used in repair work is small in relation to the charges for the labor or other services performed and where no separate charge is made for such property, the repairman is the consumer of the property. This applies, for example, to repairers of tires (regrooving), tubes, fishing rods, watches, and jewelry.

If the method of repairing or reconditioning certain tangible personal property involves commingling property delivered to a repairman or reconditioner with similar property so that the customer receives repaired or reconditioned property which may not be the identical property delivered to the repairman or reconditioner but which is exactly the same kind of property as that so delivered, tax applies to the amount charged by the repairman or reconditioner for the repaired or reconditioned property.

DAVID SULLIVAN  
TAX ADMINISTRATOR

EFFECTIVE DATE: January 2007

THIS REGULATION AMENDS AND SUPERSEDES REGULATION SU 89-92  
PROMULGATED DECEMBER 31, 1989