

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

## **Sales and Use Tax**

### **Regulation SU 87-115**

#### **Use Tax -- Statute of Limitations**

Where a taxpayer who is liable only for use tax files a use tax return monthly, and does not report the correct amount of the use tax due, nevertheless such filing sets the running of the statute of limitations, and an assessment for additional tax must be made and the determination mailed within three (3) years after the return is filed, excepting in case of fraud or intent to evade the provisions of the law, in which case the statute does not operate.

Similarly where a retailer or permittee has filed a sales and use tax return monthly, but has reported only a sales tax and has left blank those lines on the return referring to the use tax, such filing of the return in good faith, (i.e., containing no information that is misleading or designed to prevent discovery of material facts necessary to make an assessment,) sets the running of the statute as to both the sales and use tax and an assessment for recovery of any use tax claimed to be due must be made and the determination mailed within three (3) years after the return was filed, except in case of fraud or intent to evade the provisions of the law, in which case the Statute does not operate against the State.

Where a taxpayer or retailer who is required to file a return under the provisions of the sales and use tax law fails to do so, the statute of limitations is inoperative against the State and an assessment covering a period of six (6) years may be made.

R. GARY CLARK  
TAX ADMINISTRATOR

DATE: May 1, 1987