

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

## **Sales and Use Tax**

### **Regulation SU 87-15**

#### **Cafeterias Operated by Tax Exempt Hospitals**

Although, under the provisions of section 44-18-30(5) of the Rhode Island sales and use tax act, hospitals not operated for profit are exempted from paying either a sales tax or a use tax on tangible personal property which is sold to them, nevertheless when such hospitals operate cafeterias where meals, food or beverages are regularly sold to employees or other persons, such sales are subject to the tax. Accordingly, the tax shall apply to the gross receipts derived from such sales.

R. GARY CLARK  
TAX ADMINISTRATOR

DATE: May 1, 1987