

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

## **Sales and Use Tax**

### **Regulation SU 87-43**

#### **Federal Taxes**

Gross receipts subject to sales tax and the sales price subject to use tax do not include the amount of any Federal tax imposed upon or with respect to retail sales whether imposed upon the retailer or upon the consumer and regardless of whether the amount of Federal tax is stated to consumers as a separate charge. Accordingly, deduction may be taken for the taxes imposed under the Internal Revenue Code in connection with retail sales. Retailers must retain records to show that the amounts deducted as Federal tax were actually returned to the United States.

Gross receipts subject to sales tax and the sales price subject to use tax include the amount of any manufacturer's or importer's excise tax included in the prices of the property sold, even though the manufacturer or importer is also the retailer thereof, and it is immaterial whether or not the amount of such tax is stated as a separate charge.

**R. GARY CLARK**  
**TAX ADMINISTRATOR**

DATE: May 1, 1987