

State of Rhode Island - Division of Taxation

Sales and Use Tax

Regulation SU 88-125

Notice to Administrator of Sale of Assets

Section 44-19-22 of the Rhode Island General Laws requires every taxpayer selling or transferring a major part in value of its assets (real or tangible property) otherwise than in the ordinary course of trade and in the regular and usual prosecution of the taxpayer's business to notify the Tax Administrator of the proposed sale or transfer at least five (5) days before the sale or transfer. The notice must include the price, terms and conditions, and the character and location of the assets.

Further, whenever a taxpayer makes such a sale or transfer, the tax imposed by chapter 44-18 becomes due and payable at the time the Tax Administrator is notified, or, if he is not so notified, at the time when he should have been notified.

If a taxpayer fails to comply with the notification and payment provisions, the sale or transfer shall be fraudulent and void as against the state.

When the taxpayer complies with the provisions of Section 44-19-22, including the filing of any required returns and the payment of tax due, the Tax Administrator shall issue a letter of good standing to the taxpayer. Until such time as the returns are filed, the taxes are paid and the letter of good standing has been issued, the property sold or transferred shall be subject to the claims of the Tax Administrator for taxes imposed against the transferor of the property under Chapter 44-18.

The five day notice requirement does not apply to sales by receivers, assignees under a voluntary assignment for the benefit of creditors, trustees in bankruptcy, or public officers acting under judicial process.

**R. GARY CLARK
TAX ADMINISTRATOR**

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EFFECTIVE DATE: December 31, 1988