

State of Rhode Island - Division of Taxation

Sales and Use Tax

Regulation SU 90-20

Out-of-State Retailers - Registration

1. Who must register -- Every retailer engaging in business in this state and making sales of tangible personal property for storage, use, or other consumption in this state.

The term "engaging in business in this state" means the selling or delivering in this state, or any activity in this state related to the selling or delivering in this state of tangible personal property for storage, use, or other consumption in this state. The term includes the following acts or methods of transacting business:

- a. Maintaining, occupying, or using in this state permanently or temporarily, directly or indirectly or through a subsidiary, representative, or agent by whatever name called and whether or not qualified to do business in this state, any office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business;
- b. having any subsidiary, representative, agent, salesperson, canvasser, or solicitor permanently or temporarily, and whether or not said subsidiary, representative, or agent is qualified to do business in this state, operates in this state for the purpose of selling, delivering, or the taking of orders for any tangible personal property;
- c. the regular or systematic solicitation of tangible personal property in this state by means of advertising in newspapers and other periodicals; billboards; brochures, catalogs and similar advertising material mailed to or distributed within the state to residents of this state; telephone; computer assisted shopping networks; television, radio or other electronic media intended to be broadcast to customers located in this state.

2. Registration of Out-of-State Retailers -- All out-of-state retailers engaged in business in this state, as defined above, must register with the Tax Administrator to collect the use tax.

Therefore, a nonresident seller has the same obligation to add, collect and remit the tax on his Rhode Island sales in the same manner as though that seller were a local retailer who has an actual place of business located within this state.

3. Statutory agent for process -- Under the laws of Rhode Island, a nonresident seller engaging in business in this state, as defined above, and making sales of tangible personal property for storage, use, or other consumption in this state, automatically consents to the appointment of the Director of Business Regulation of the State of Rhode Island as statutory agent for the purpose of accepting service of process on his or her behalf in any suit or other proceedings brought by the Tax Administrator in the courts of Rhode Island for the collection of the Rhode Island use tax from such nonresident seller.

R. GARY CLARK
TAX ADMINISTRATOR

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EFFECTIVE DATE: December 31, 1990

THIS REGULATION AMENDS AND SUPERCEDES REGULATION SU 87-20
PROMULGATED MAY 1, 1987.