

2010 -- H 7457

LC01187

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO TAXATION - COLLECTION OF TAXES GENERALLY

Introduced By: Representatives Jacquard, Williams, Palumbo, and Corvese

Date Introduced: February 11, 2010

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-7-1 of the General Laws in Chapter 44-7 entitled "Collection of  
2 Taxes Generally" is hereby amended to read as follows:

3 **44-7-1. Definitions.** -- Terms used in chapters 7 – 9 of this title shall, unless another  
4 meaning is clearly apparent from the context, or unless inconsistent with the manifest intent of the  
5 legislature, be construed as follows:

6 (1) "Collector" means a person receiving a tax list and a warrant to collect the tax list.

7 (2) "Person" means ~~a~~ an individual, ~~eo~~-partnership, ~~a~~ corporation; (private or municipal  
8 governmental), ~~a~~ joint stock company, limited liability company, ~~a~~ trust, ~~an~~ estate, ~~an~~ association,  
9 or ~~any~~ other entity or ~~group~~ organization against whom or which a tax may be assessed.

10 (3) "Publication," as applied to any notice, advertisement, or other instrument, the  
11 publication of which is required by law, means the act of printing it once in a newspaper  
12 published in the city or town, if any, otherwise in the county, where the land or other property to  
13 which the notice or other instrument relates is situated. The publication shall be made at least  
14 fourteen (14) days prior to the date stated for the occurrence of the event to which the publication  
15 relates.

16 (4) "Town" includes city; "town clerk" includes city clerk; "town council" includes city  
17 council; "town treasurer" includes city treasurer; "collector" includes city collector.

18 SECTION 2. Chapter 44-7 of the General Laws entitled "Collection of Taxes Generally"  
19 is hereby amended by adding thereto the following section:

1           **44-7-28. Requirement to present municipal tax certificate in connection with sale or**  
2 **transfer of ownership of a business.** -- (a) Upon the sale or transfer by any person of a major  
3 part in value of such person's business assets or property situated in this state, all tangible  
4 personal property taxes assessed by a city or town pursuant to section 44-5-1 and payable at the  
5 time of sale or transfer shall be paid in full to such city or town.  
6           (b) Failure to comply with subsection (a) above shall result in the buyer and seller being  
7 held jointly and severally responsible for the payment of such taxes as of the date of the sale or  
8 transfer.  
9           (c) A municipal lien certificate, obtained from the city or town which certifies the amount  
10 of all tangible personal property taxes assessed and payable, when affixed to or otherwise  
11 incorporated into the instrument of sale or transfer of tangible personal property shall remove all  
12 liability on the buyer or transferee for payment of any tangible personal property taxes assessed  
13 and due prior to the sale, including any such tax not listed on the certificate.  
14           (d) The municipal lien certificate shall be requested and provided in the same manner and  
15 at the same fee as provided under section 44-7-11, provided that the same shall set forth all taxes  
16 personal property taxes assessed against the seller.  
17           (e) This requirement shall not apply to the sale or transfer of assets to a holder of a  
18 security interest in the tangible personal property, provided that the holder is a regulated  
19 institution or licensee under Chapter 19-14 of the general laws or any other person holding an  
20 interest as co-tenant in less than fifty percent (50%) of the assets.

21           SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would require obtaining a municipal lien certificate and the payment of all  
2 tangible personal property taxes in any calendar year upon the sale or transfer of more than fifty  
3 percent (50%) of the assets or ownership interest of the business.

4           This act would take effect upon passage.

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