

2012 -- S 2465

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO MOTOR AND OTHER VEHICLES - RENTAL VEHICLE SURCHARGE

Introduced By: Senator John J. Tassoni

Date Introduced: February 16, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 31-34.1-2 of the General Laws in Chapter 31-34.1 entitled "Rental
2 Vehicle Surcharge" is hereby amended to read as follows:

3 **31-34.1-2. Rental vehicle surcharge.** -- (a) Each rental company shall collect, at the time
4 a motor vehicle is rented in this state, on each rental contract, a surcharge equal to ~~six percent~~
5 ~~(6.0%)~~ eight percent (8.0%) of gross receipts per vehicle on all rentals for each of the first thirty
6 (30) consecutive days. The surcharge shall be computed prior to the assessment of any applicable
7 sales taxes, provided, however, the surcharge shall be subject to the sales tax.

8 (b) The surcharge shall be included on the rental contract and collected in accordance
9 with the terms of the rental contract. ~~Fifty percent (50%)~~ Sixty percent (60%) of the surcharge
10 shall be retained by the rental company in accordance with this section and subsection (c), and
11 ~~fifty percent (50%)~~ forty percent (40%) of the surcharge shall be remitted to the state for deposit
12 in the general fund, on a quarterly basis in accordance with a schedule adopted by the tax
13 administration. Each rental company collecting and retaining surcharge amounts may reimburse
14 itself in accordance with this section from the funds retained for the total amount of motor vehicle
15 licensing fees, title fees, registration fees and transfer fees paid to the state of Rhode Island and
16 excise taxes imposed upon the rental companies' motor vehicles during the prior calendar year;
17 provided, that rental companies shall not be authorized to reimburse themselves for title fees,
18 motor vehicles licensing fees, transfer fees, registration fees and excise taxes unless those fees
19 and taxes shall have been assessed and paid in full to the state or appropriate city or town prior to

1 any reimbursement. No reimbursement shall be allowed upon the prepayment of any fees or
2 excise taxes.

3 (c) At a date to be set by the state tax administrator, but not later than February 15th of
4 any calendar year, each rental company shall, in addition to filing a quarterly remittance form, file
5 a report with the state tax administrator on a form prescribed by him or her, stating the total
6 amount of motor vehicles licensing fees, transfer fees, title fees, registration fees and excise taxes
7 paid by the rental company in the previous year. The amount, if any, by which the surcharge
8 collections exceed the amount of licensing fees, title fees, transfer fees, registration fees and
9 excise taxes paid shall be remitted by the rental company to the state of Rhode Island for deposit
10 in the general fund.

11 SECTION 2. 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 change the surcharge on each rental contract each time a motor vehicle is
2 rented in the state from six percent (6.0%) to eight percent (8.0%). The surcharge that shall be
3 retained by the rental company would change from fifty percent (50%) to sixty percent (60%) and
4 forty percent (40%) of said surcharge shall be remitted to the state.

5 This act would take effect upon passage.

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