

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 709

H.P. 514

House of Representatives, February 11, 2019

**An Act To Exempt Certain Meals Provided to Food Service
Employees from the Sales and Use Tax**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative BERRY of Bowdoinham.
Cosponsored by Senator VITELLI of Sagadahoc and
Representatives: ACKLEY of Monmouth, MARTIN of Eagle Lake, MATLACK of St.
George, MOONEN of Portland, PEOPLES of Westbrook, RISEMAN of Harrison, TIPPING of
Orono, Senator: CHIPMAN of Cumberland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §1760, sub-§6, ¶F**, as amended by PL 2011, c. 380, Pt.
3 DDDD, §3 and affected by §§5 and 6, is further amended to read:

4 F. Served by youth camps licensed by the Department of Health and Human Services
5 and defined in Title 22, section 2491, subsection 16; ~~and~~

6 **Sec. 2. 36 MRSA §1760, sub-§6, ¶G**, as enacted by PL 2011, c. 380, Pt. DDDD,
7 §4 and affected by §§5 and 6, is amended to read:

8 G. Served by a retirement facility to its residents when participation in the meal
9 program is a condition of occupancy or the cost of the meals is included in or paid
10 with a comprehensive fee that includes the right to reside in a residential dwelling
11 unit and meals or other services, whether that fee is charged annually, monthly,
12 weekly or daily; and

13 **Sec. 3. 36 MRSA §1760, sub-§6, ¶H** is enacted to read:

14 H. Provided to an employee of an eating establishment as defined in Title 22, section
15 2491, subsection 7 while that employee is actually working, up to a maximum cost to
16 the employer of \$6 per day as adjusted under section 5403, subsection 9.

17 **Sec. 4. 36 MRSA §5403, sub-§§7 and 8**, as enacted by PL 2017, c. 474, Pt. B,
18 §24, are amended to read:

19 **7. Personal exemptions.** Beginning in 2018 and each year thereafter, by the dollar
20 amounts contained in section 5126-A, subsection 1, except that for the purposes of this
21 subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment"
22 is the Chained Consumer Price Index for the 12-month period ending June 30th of the
23 preceding calendar year divided by the Chained Consumer Price Index for the 12-month
24 period ending June 30, 2017; ~~and~~

25 **8. Personal exemption phase-out.** Beginning in 2018 and each year thereafter, by
26 the dollar amount of the applicable amounts specified in section 5126-A, subsection 2,
27 paragraphs A, B and C, except that for the purposes of this subsection, notwithstanding
28 section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer
29 Price Index for the 12-month period ending June 30th of the preceding calendar year
30 divided by the Chained Consumer Price Index for the 12-month period ending June 30,
31 2017; and

32 **Sec. 5. 36 MRSA §5403, sub-§9** is enacted to read:

33 **9. Meals for employees.** Beginning in 2020 and each year thereafter, by the dollar
34 amount of the maximum exemption for certain employee meals under section 1760,
35 subsection 6, paragraph H. If the base amount, adjusted by application of the cost-of-
36 living adjustment, is not a multiple of 25¢, any increase must be rounded to the next
37 lowest multiple of 25¢. For the purposes of this subsection, notwithstanding section
38 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price

1 Index for the 12-month period ending June 30th of the preceding calendar year divided by
2 the Chained Consumer Price Index for the 12-month period ending June 30, 2018.

3 **Sec. 6. 36 MRSA §5403, 2nd ¶**, as amended by PL 2017, c. 474, Pt. B, §25, is
4 further amended to read:

5 Except for subsection 5, paragraph A and subsection 9, if the dollar amount of each
6 item, adjusted by the application of the cost-of-living adjustment, is not a multiple of \$50,
7 any increase must be rounded to the next lowest multiple of \$50.

8 **Sec. 7. Effective date.** This Act takes effect November 1, 2019.

9 **SUMMARY**

10 This bill exempts from sales and use tax meals, up to a maximum cost to the
11 employer of \$6 per day, provided to an employee of an eating establishment while that
12 employee is working. It provides that, beginning in 2020, the amount of the exemption
13 must be adjusted for inflation.