## MAINE STATE LEGISLATURE

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## 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

Legislative Document

No. 1451

H.P. 1082

House of Representatives, March 5, 2001

Millient M. Macfailand

An Act to Remove the Tax on Food, Nonalcoholic Beverages and Medicine.

Reference to the Committee on Taxation suggested and ordered printed.

MILLICENT M. MacFARLAND, Clerk

Presented by Representative MICHAEL of Auburn.

Cosponsored by Representatives: GERZOFSKY of Brunswick, MENDROS of Lewiston, SNOWE-MELLO of Poland.

Вe	it	enacted	by	the	People	of	the	State	of	Maine	as	follows:	
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- Sec. 1. 36 MRSA §1752, sub-§3-B, as amended by PL 1999, c. 698, §1 and affected by §3, is further amended to read:

  3-B. Grocery staples. "Grocery staples" means food products ordinarily consumed for human nourishment.

  "Grocery staples" does not include spirituous, malt or vinous
- "Grocery staples" does not include spirituous, malt or vinous

  10 liquors; --soft--drinks; --iced--tea; --sodas--or--beverages--such--as--are
   ordinarily--dispensed--at--bars--or--soda--fountains--or--in--connection

  12 with--bars--or--soda--fountains; --medicines; --tonics; --vitamins--and
   preparations--in--liquid; --powdered; --granular; --tablet; --capsule;

  14 losenge--or--pill--form; --sold--as--dictary--supplements--or--adjuncts;
   except--when--sold--on--the--prescription--of--a--physician; --water;

  16 including-mineral--bottled--and-carbonated-waters--and--ice; -dictary
   substitutes; -candy-and-confections; -and-prepared-food.
- Sec. 2. 36 MRSA §1752, sub-§5-A, as enacted by PL 1981, c.
  163, §1, is amended to read:
- 5-A. Internal human consumption. "Products for internal human consumption" mean means edible products sold for human nutrition or refreshment and containers or instruments provided simultaneously for the consumption of these products. It does not include spirituous, malt or vinous liquors, --medicines, --tenies, vitamins, -dietary-supplements or cigarettes.
  - Sec. 3. 36 MRSA §1760, sub-§5 is repealed.

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- Sec. 4. 36 MRSA §1760, sub-§6, as amended by PL 1999, c. 502, §1 to 3, is repealed.
- Sec. 5. 36 MRSA §1760, sub-§34, as repealed and replaced by PL 1981, c. 163, §4, is amended to read:
- 34. Coin-operated vending machines. Sales of products for internal human consumption when sold through coin-operated vending machines by--a--person--more--than--50%--of--whose--gross receipts-from-the-retail-sale--of-tangible-personal--property-are derived-from-sales-through-vending-machines.
- Sec. 6. 36 MRSA §1760, sub-§75, as enacted by PL 1989, c. 871, 44 §15, is amended to read:
- 75. Certain lodging. Meals-or-lodging Lodging provided to employees at their place of employment when the value of those meals-or that lodging is allowed as a credit toward the wages of those employees.

Sec. 7. 36 MRSA §1811, first ¶, as amended by PL 1999, c. 401, Pt. X, §1 and affected by §5, is further amended to read:

A tax is imposed on the value of all tangible personal property and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house, tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile; 7%-en-the-value-of-prepared-feed sold--in--establishments--that--are--licensed--for--en-premises eensumption-of-liquor-pursuant-to-Title-28-A,-chapter-43; and 5% on the value of all other tangible personal property and taxable services. Value is measured by the sale price, except as otherwise provided.

This bill removes the levy of the sales tax on all food, including prepared food, candy and confections, and on nonalcoholic beverages, medicines and vitamins.

**SUMMARY**