

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 1335

S.P. 481

In Senate, March 31, 2009

### **An Act To Exempt from the Sales Tax Meals Provided at Retirement Facilities**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator PERRY of Penobscot.  
Cosponsored by Representative CROCKETT of Augusta and  
Senators: BLISS of Cumberland, HOBBS of York, Representatives: FLEMINGS of Bar  
Harbor, PRESCOTT of Topsham, TARDY of Newport.

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

2 **Sec. 1. 36 MRSA §1752, sub-§11-A** is enacted to read:

3 **11-A. Retirement facility.** "Retirement facility" means a facility that includes  
4 residential dwelling units where, on a continuous basis, at least 80% of the residents of  
5 the facility are persons 62 years of age or older.

6 **Sec. 2. 36 MRSA §1760, sub-§6, ¶E,** as amended by PL 2007, c. 529, §2, is  
7 further amended to read:

8 E. Served by colleges to employees of the college when the meals are purchased  
9 with debit cards issued by the colleges; ~~and~~

10 **Sec. 3. 36 MRSA §1760, sub-§6, ¶F,** as enacted by PL 2007, c. 529, §3, is  
11 amended to read:

12 F. Served by youth camps licensed by the Department of Health and Human Services  
13 and defined in rules adopted by the Department of Health and Human Services as a  
14 combination of program and facilities established for the primary purpose of  
15 providing an outdoor group living experience with social, recreational, spiritual and  
16 educational objectives for children and operated and used for 5 or more consecutive  
17 days during one or more seasons of the year, including day camps, residential camps  
18 and trip and travel camps; ~~and~~

19 **Sec. 4. 36 MRSA §1760, sub-§6, ¶G** is enacted to read:

20 G. Served by a retirement facility to its residents when the cost of the meals is  
21 included in a comprehensive fee that includes the right to reside in a residential  
22 dwelling unit and meals or other services, whether that fee is charged annually,  
23 monthly, weekly or daily.

24 **Sec. 5. 36 MRSA §1766** is enacted to read:

25 **§1766. Credit for meals served in retirement facility**

26 A retirement facility that was audited by the bureau between January 1, 2007 and  
27 October 1, 2009 and that agreed in settlement of the audit to pay sales tax or interest or  
28 penalties on sales tax for meals that are exempt from the sales and use tax pursuant to  
29 section 1760, subsection 6, paragraph G may apply for a credit of sales tax, interest or  
30 penalties actually paid. Upon verification by the assessor, the credit under this section  
31 must be granted against any sales and use tax owed by that retirement facility over a 10-  
32 year period in equal annual amounts.

33 **Sec. 6. Effective date.** This Act takes effect October 1, 2009.

34 **SUMMARY**

35 This bill exempts from the sales tax meals provided to residents of full-service  
36 retirement facilities.

1           This bill also allows a retirement facility to claim a credit against future sales tax  
2 payments for sales tax, including any interest or penalties on that sales tax, paid by that  
3 facility on meals that will now be exempt from the sales and use tax pursuant to this bill.  
4 The credit must be provided in equal installments over a 10-year period.