

**First Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 09-0618.01 Nicole Myers

SENATE BILL 09-121

SENATE SPONSORSHIP

White,

HOUSE SPONSORSHIP

May,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE SALES AND USE TAX EXEMPT STATUS OF MEALS**
102 **PROVIDED TO EMPLOYEES OF A BUSINESS WHERE PREPARED**
103 **FOOD IS REGULARLY SOLD.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Eliminates the requirement that meals provided at no charge or at a reduced charge to employees of a business at which prepared food or drink is regularly sold shall be considered as part of the employee's salary, wages, or income to qualify for a sales and use tax exemption.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 39-26-104 (1) (e), Colorado Revised Statutes, is
3 amended to read:

4 **39-26-104. Property and services taxed.** (1) There is levied and
5 there shall be collected and paid a tax in the amount stated in section
6 39-26-106 as follows:

7 (e) Upon the amount paid for food or drink served or furnished in
8 or by restaurants, cafes, lunch counters, cafeterias, hotels, drugstores,
9 social clubs, nightclubs, cabarets, resorts, snack bars, caterers, carryout
10 shops, and other like places of business at which prepared food or drink
11 is regularly sold, including sales from pushcarts, motor vehicles, and
12 other mobile facilities. Cover charges shall be included as part of the
13 amount paid for such food or drink. However, meals provided to
14 employees of the places mentioned in this paragraph (e) at no charge or
15 at a reduced charge ~~and which are considered as part of their salary,~~
16 ~~wages, or income~~ shall be exempt from taxation under the provisions of
17 this part 1.

18 **SECTION 2.** 39-26-707 (2) (a), Colorado Revised Statutes, is
19 amended to read:

20 **39-26-707. Food, meals, and beverages.** (2) The following shall
21 be exempt from taxation under the provisions of part 2 of this article:

22 (a) Effective January 1, 1980, the storage, use, or consumption of
23 food or meals that are provided to employees of the places described in
24 section 39-26-104 (1) (e); ~~if such are provided to such employees at no~~
25 ~~charge or at a reduced charge and are considered as part of their salary,~~
26 ~~wages, or income;~~

27 **SECTION 3. Act subject to petition - effective date.** This act

1 shall take effect at 12:01 a.m. on the day following the expiration of the
2 ninety-day period after final adjournment of the general assembly that is
3 allowed for submitting a referendum petition pursuant to article V,
4 section 1 (3) of the state constitution, (August 4, 2009, if adjournment
5 sine die is on May 6, 2009); except that, if a referendum petition is filed
6 against this act or an item, section, or part of this act within such period,
7 then the act, item, section, or part, if approved by the people, shall take
8 effect on the date of the official declaration of the vote thereon by
9 proclamation of the governor.