

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 16-0523.01 Esther van Mourik x4215

HOUSE BILL 16-1187

HOUSE SPONSORSHIP

Kraft-Tharp,

SENATE SPONSORSHIP

Holbert,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING A SALES AND USE TAX EXEMPTION FOR MEALS PROVIDED
102 IN CERTAIN RETIREMENT COMMUNITIES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills/summaries>.)

The bill creates:

- ! A sales and use tax exemption for the sale, storage, use, or consumption of food, food products, snacks, beverages, and meals (food products) on the premises of a retirement community;
- ! A sales and use tax exemption for the sale, storage, use, or

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.

consumption of any container, bag, or article (packaging) used by or furnished to a consumer for the purpose of packaging, bagging, or use with food products consumed on the premises of a retirement community;

! A sales tax exemption for the sale of food products to a retirement community for purposes of a sale of food products for consumption on the premises of such community;

! A sales tax exemption for the sale to a retirement community of any packaging used by or furnished to a consumer for purposes of a sale of food products on the premises of such community;

! A use tax exemption for the storage, use, or consumption of food products by a retirement community for purposes of a sale of food products for consumption on the premises of such community; and

! A use tax exemption for the storage, use, or consumption by a retirement community of any packaging used by or furnished to a consumer for purposes of a sale of food products for consumption on the premises of such community.

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 hereby finds and declares that the intended purpose of the tax expenditure
4 in this act is to clarify that food purchased and provided as part of a meal
5 plan to residents of a retirement community is exempt from sales and use
6 tax as food for domestic home consumption, and clarifying that the
7 packaging used in presenting that food to a resident of a retirement
8 community is exempt from sales and use tax under the existing exemption
9 for food packaging.

10 **SECTION 2.** In Colorado Revised Statutes, 39-26-707, **add** (1)
11 (f), (2) (e), and (2.5) as follows:

12 **39-26-707. Food, meals, beverages, and packaging -**
13 **definitions.** (1) The following shall be exempt from taxation under the

1 provisions of part 1 of this article:

2 (f) (I) ON AND AFTER JULY 1, 2016, ALL SALES OF FOOD, FOOD
3 PRODUCTS, SNACKS, BEVERAGES, AND MEALS FOR CONSUMPTION ON THE
4 PREMISES OF A RETIREMENT COMMUNITY;

5 (II) ON AND AFTER JULY 1, 2016, ALL SALES TO A RETIREMENT
6 COMMUNITY OF FOOD, FOOD PRODUCTS, SNACKS, BEVERAGES, AND MEALS
7 FOR PURPOSES OF A SALE DESCRIBED IN SUBPARAGRAPH (I) OF THIS
8 PARAGRAPH (f);

9 (III) ON AND AFTER JULY 1, 2016, ALL SALES OF ANY CONTAINER,
10 BAG, OR ARTICLE USED BY OR FURNISHED TO A CONSUMER FOR THE
11 PURPOSE OF PACKAGING, BAGGING, OR USE WITH FOOD, FOOD PRODUCTS,
12 SNACKS, BEVERAGES, AND MEALS CONSUMED ON THE PREMISES OF A
13 RETIREMENT COMMUNITY; AND

14 (IV) ON AND AFTER JULY 1, 2016, ALL SALES TO A RETIREMENT
15 COMMUNITY OF ANY CONTAINER, BAG, OR ARTICLE USED BY OR FURNISHED
16 TO A CONSUMER FOR PURPOSES OF A SALE DESCRIBED IN SUBPARAGRAPH
17 (I) OF THIS PARAGRAPH (f).

18 (2) The following shall be exempt from taxation under the
19 provisions of part 2 of this article:

20 (e) (I) ON AND AFTER JULY 1, 2016, THE STORAGE, USE, OR
21 CONSUMPTION OF FOOD, FOOD PRODUCTS, SNACKS, BEVERAGES, AND
22 MEALS FOR CONSUMPTION ON THE PREMISES OF A RETIREMENT
23 COMMUNITY;

24 (II) ON AND AFTER JULY 1, 2016, THE STORAGE, USE, OR
25 CONSUMPTION BY A RETIREMENT COMMUNITY OF FOOD, FOOD PRODUCTS,
26 SNACKS, BEVERAGES, AND MEALS FOR PURPOSES OF A SALE DESCRIBED IN
27 SUBPARAGRAPH (I) OF PARAGRAPH (f) OF SUBSECTION (1) OF THIS

1 SECTION;

2 (III) ON AND AFTER JULY 1, 2016, THE STORAGE, USE, OR
3 CONSUMPTION OF ANY CONTAINER, BAG, OR ARTICLE USED BY OR
4 FURNISHED TO A CONSUMER FOR THE PURPOSE OF PACKAGING, BAGGING,
5 OR USE WITH FOOD, FOOD PRODUCTS, SNACKS, BEVERAGES, AND MEALS
6 CONSUMED ON THE PREMISES OF A RETIREMENT COMMUNITY; AND

7 (IV) ON AND AFTER JULY 1, 2016, THE STORAGE, USE, OR
8 CONSUMPTION BY A RETIREMENT COMMUNITY OF ANY CONTAINER, BAG,
9 OR ARTICLE USED BY OR FURNISHED TO A CONSUMER FOR PURPOSES OF A
10 SALE DESCRIBED IN SUBPARAGRAPH (I) OF PARAGRAPH (f) OF SUBSECTION
11 (1) OF THIS SECTION.

12 (2.5) FOR PURPOSES OF THIS SECTION, "RETIREMENT COMMUNITY"
13 MEANS:

14 (a) AN ASSISTED LIVING RESIDENCE AS DEFINED IN SECTION
15 25-27-102 (1.3), C.R.S.;

16 (b) AN INDEPENDENT LIVING FACILITY DESIGNED AND OPERATED
17 SPECIFICALLY TO SERVE AS THE PRIMARY RESIDENCE FOR PERSONS AGED
18 FIFTY-FIVE OR OLDER THAT PROVIDES MEALS AND OTHER SERVICES TO
19 RESIDENTS AS PART OF A COMPREHENSIVE FEE, INCLUDING A FACILITY
20 THAT QUALIFIES AS HOUSING FOR OLDER PERSONS AS DEFINED IN SECTION
21 24-34-502 (7) (b), C.R.S., AND A LIFE CARE INSTITUTION SUBJECT TO
22 ARTICLE 13 OF TITLE 12, C.R.S.; OR

23 (c) A NURSING CARE FACILITY LICENSED UNDER THE AUTHORITY
24 OF SECTION 25-1.5-103 (1)(a)(I)(A), C.R.S., THAT PROVIDES SERVICES TO
25 PERSONS WHO, DUE TO PHYSICAL CONDITION, MENTAL CONDITION, OR
26 DISABILITY, REQUIRE CONTINUOUS OR REGULAR INPATIENT NURSING CARE.

27 **SECTION 3. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.