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

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

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

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

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

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

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

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

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

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

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

§ 1766. Credit for meals served in retirement facility

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

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

SUMMARY

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

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