

CHAPTER 421

TAXATION

SENATE BILL 09-121

BY SENATOR(S) White, Bacon, Brophy, Cadman, Foster, Gibbs, Groff, Heath, Isgar, King K., Kopp, Lundberg, Newell, Sandoval, Shaffer B., Spence;
also REPRESENTATIVE(S) Marostica, Acree, Baumgardner, Frangas, Gardner B., Gerou, Green, Kefalas, Kerr J., Liston, Looper, Merrifield, Murray, Priola, Ryden, Stephens, Summers, Todd.

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

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

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

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

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

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

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

(a) Effective January 1, 1980, the storage, use, or consumption of food or meals that are provided to employees of the places described in section 39-26-104 (1) (e);

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

~~if such are provided to such employees at no charge or at a reduced charge and are considered as part of their salary, wages, or income;~~

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 4, 2009