

HB1187\_L.003

## HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.HB16-1187 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and  
2 substitute:

3 "SECTION 1. **Legislative declaration.** The general assembly  
4 hereby finds and declares that:

5 (a) The department of revenue does not currently have a written  
6 policy with regard to the application of sales and use taxes on food  
7 purchased and provided as part of a meal plan to residents of a retirement  
8 community, nor with regard to the application of sales and use taxes on  
9 the packaging used in presenting that food to a resident of a retirement  
10 community. The question of the taxation of these items has been brought  
11 to light by the issuance of a department of revenue private letter ruling  
12 indicating that these items should be taxed. In general, the retirement  
13 community industry has not been collecting and remitting sales or use tax  
14 for these items.

15 (b) The intended purpose of the tax expenditure in this act is to  
16 clarify that food purchased and provided as part of a meal plan to  
17 residents of a retirement community is exempt from sales and use tax as  
18 food for domestic home consumption, and clarifying that the packaging  
19 used in presenting that food to a resident of a retirement community is  
20 exempt from sales and use tax under the existing exemption for food  
21 packaging.

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

24 **39-26-707. Food, meals, beverages, and packaging -**  
25 **definitions.** (1) The following shall be exempt from taxation under the  
26 provisions of part 1 of this article:

27 (f) (I) (A) ON AND AFTER JULY 1, 2016, ALL SALES OF FOOD, FOOD  
28 PRODUCTS, SNACKS, BEVERAGES, AND MEALS PROVIDED FOR  
29 CONSUMPTION BY RESIDENTS ON THE PREMISES OF A RETIREMENT  
30 COMMUNITY;

31 (B) ON AND AFTER JULY 1, 2016, ALL SALES TO A RETIREMENT  
32 COMMUNITY OF FOOD, FOOD PRODUCTS, SNACKS, BEVERAGES, AND MEALS  
33 FOR PURPOSES OF A SALE DESCRIBED IN SUB-SUBPARAGRAPH (A) OF THIS  
34 SUBPARAGRAPH (I);

35 (C) ON AND AFTER JULY 1, 2016, ALL SALES OF ANY CONTAINER,  
36 BAG, OR ARTICLE USED BY OR FURNISHED TO A CONSUMER FOR THE  
37 PURPOSE OF PACKAGING, BAGGING, OR USE WITH FOOD, FOOD PRODUCTS,



1 SNACKS, BEVERAGES, AND MEALS PROVIDED FOR CONSUMPTION BY  
2 RESIDENTS ON THE PREMISES OF A RETIREMENT COMMUNITY; AND

3 (D) ON AND AFTER JULY 1, 2016, ALL SALES TO A RETIREMENT  
4 COMMUNITY OF ANY CONTAINER, BAG, OR ARTICLE USED BY OR FURNISHED  
5 TO A CONSUMER FOR PURPOSES OF A SALE DESCRIBED IN  
6 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I).

7 (II) FOR PURPOSES OF THIS PARAGRAPH (f), "FOOD" INCLUDES  
8 PREPARED SALADS, SALAD BARS, AND PACKAGED AND UNPACKAGED COLD  
9 SANDWICHES.

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

12 (e) (I) (A) ON AND AFTER JULY 1, 2016, THE STORAGE, USE, OR  
13 CONSUMPTION OF FOOD, FOOD PRODUCTS, SNACKS, BEVERAGES, AND  
14 MEALS PROVIDED FOR CONSUMPTION BY RESIDENTS ON THE PREMISES OF  
15 A RETIREMENT COMMUNITY;

16 (B) ON AND AFTER JULY 1, 2016, THE STORAGE, USE, OR  
17 CONSUMPTION BY A RETIREMENT COMMUNITY OF FOOD, FOOD PRODUCTS,  
18 SNACKS, BEVERAGES, AND MEALS FOR PURPOSES OF A SALE DESCRIBED IN  
19 SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (I) OF PARAGRAPH (f) OF  
20 SUBSECTION (1) OF THIS SECTION;

21 (C) ON AND AFTER JULY 1, 2016, THE STORAGE, USE, OR  
22 CONSUMPTION OF ANY CONTAINER, BAG, OR ARTICLE USED BY OR  
23 FURNISHED TO A CONSUMER FOR THE PURPOSE OF PACKAGING, BAGGING,  
24 OR USE WITH FOOD, FOOD PRODUCTS, SNACKS, BEVERAGES, AND MEALS  
25 PROVIDED FOR CONSUMPTION BY RESIDENTS ON THE PREMISES OF A  
26 RETIREMENT COMMUNITY; AND

27 (D) ON AND AFTER JULY 1, 2016, THE STORAGE, USE, OR  
28 CONSUMPTION BY A RETIREMENT COMMUNITY OF ANY CONTAINER, BAG,  
29 OR ARTICLE USED BY OR FURNISHED TO A CONSUMER FOR PURPOSES OF A  
30 SALE DESCRIBED IN SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (I) OF  
31 PARAGRAPH (f) OF SUBSECTION (1) OF THIS SECTION.

32 (II) FOR PURPOSES OF THIS PARAGRAPH (e), "FOOD" INCLUDES  
33 PREPARED SALADS, SALAD BARS, AND PACKAGED AND UNPACKAGED COLD  
34 SANDWICHES.

35 (2.5) FOR PURPOSES OF THIS SECTION, "RETIREMENT COMMUNITY"  
36 MEANS:

37 (a) AN ASSISTED LIVING RESIDENCE AS DEFINED IN SECTION  
38 25-27-102 (1.3), C.R.S.;

39 (b) AN INDEPENDENT LIVING FACILITY DESIGNED AND OPERATED  
40 SPECIFICALLY TO SERVE AS THE PRIMARY RESIDENCE FOR PERSONS AGED  
41 FIFTY-FIVE OR OLDER THAT PROVIDES MEALS AND OTHER SERVICES TO



1 RESIDENTS AS PART OF A COMPREHENSIVE FEE, INCLUDING A FACILITY  
2 THAT QUALIFIES AS HOUSING FOR OLDER PERSONS AS DEFINED IN SECTION  
3 24-34-502 (7) (b), C.R.S., AND A LIFE CARE INSTITUTION SUBJECT TO  
4 ARTICLE 13 OF TITLE 12, C.R.S.; OR

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

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

\*\* \*\*\* \*\* \*\*\* \*\*

