

SENATE No. 1501

The Commonwealth of Massachusetts

PRESENTED BY:

Cynthia S. Creem

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to a local option excise on the sale of alcoholic beverages for municipal substance abuse prevention and public health programs.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Cynthia S. Creem</i>	<i>First Middlesex and Norfolk</i>	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>1/26/2017</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>2/3/2017</i>
<i>Mathew Muratore</i>	<i>1st Plymouth</i>	<i>2/3/2017</i>
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>	<i>2/3/2017</i>

SENATE No. 1501

By Ms. Creem, a petition (accompanied by bill, Senate, No. 1501) of Cynthia S. Creem, Jason M. Lewis, Michael O. Moore, Mathew Muratore and others for legislation relative to a local option excise on the sale of alcoholic beverages for municipal substance abuse prevention and public health programs. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to a local option excise on the sale of alcoholic beverages for municipal substance abuse prevention and public health programs.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. The General Laws are hereby amended by adding after Chapter 64M the
2 following:-

3 Chapter 64N LOCAL OPTION ALCOHOLIC BEVERAGES EXCISE FOR
4 MUNICIPAL SUBSTANCE ABUSE PREVENTION AND PUBLIC HEALTH PROGRAMS

5 Section 1. As used in this chapter, words shall have the meaning assigned to them in
6 paragraph (h) of section 6 of chapter 64H except as provided in this section:

7 “restaurant” except that beverages sold in unopened original containers or packages when
8 sold as a unit having a capacity of at least twenty-six fluid ounces shall be subject to the excise.

9 “Sale”, a sale of meals by a restaurant for any purpose other than resale in the regular
10 course of business.

11 Section 2. (a) A city or town which accepts this section in the manner provided in section
12 4 of chapter 4 may impose a local sales tax upon i) the sale at retail of alcoholic beverages not to
13 be drunk on the premises originating within the city or town by a vendor at a rate of up to 2.00
14 percent of the gross receipts of the vendor from the sale at retail of alcoholic beverages not to be
15 drunk on the premises and ii) on the alcoholic beverages portion of a sale of restaurant meals
16 originating within the city or town by a vendor at a rate of up to 2.00 percent of the gross receipts
17 of the vendor from the alcoholic beverages portion of the sale of restaurant meals.

18 No excise shall be imposed if the sale is exempt under section 6 of chapter 64H except
19 shall be imposed on the sale of tangible personal property under Chapter 138.

20 The vendor shall pay the local sales tax imposed under this section to the commissioner
21 at the same time and in the same manner as the sales tax due to the commonwealth or as
22 otherwise determined by the commissioner.

23 (b) All sums received by the commissioner under this section shall, at least quarterly, be
24 distributed, credited and paid by the state treasurer upon certification of the commissioner to
25 each city or town that has accepted this section in proportion to the amount of the sums received
26 from the sale at retail of alcoholic beverages not to be drunk on the premises and sales of
27 restaurant meals in that city or town.

28 Any city or town seeking to dispute the commissioner's calculation of its distribution
29 under this subsection shall notify the commissioner, in writing, not later than 1 year from the
30 date the tax was distributed by the commissioner to the city or town.

31 (c) This section shall take effect in a municipality on the first day of the calendar quarter
32 following 30 days after its acceptance by the municipality or on the first day of a later calendar
33 quarter that the city or town may designate.

34 (d) Notwithstanding any provisions in section 21 of chapter 62C to the contrary, the
35 commissioner may make available to cities and towns any information necessary for
36 administration of the excise imposed by this section including, but not limited to, a report of the
37 amount of local option sales tax on alcoholic beverages collected in the aggregate by each city or
38 town under this section in the preceding fiscal year, and the identification of each individual
39 vendor collecting local option sales tax on alcoholic beverages under this chapter.

40 Section 3. Except as provided herein, a sale at retail of an alcoholic beverage not to be
41 drunk on the premises or a sale of an alcoholic beverage by a restaurant shall be sourced to the
42 business location of the vendor if (1) the alcoholic beverage is provided to or received by the
43 purchaser at the business location of the vendor or (2) if the alcoholic beverage is delivered by
44 the vendor to a customer, regardless of the location of the customer.

45 A vendor with multiple business locations in the commonwealth shall separately report
46 sales sourced to each location in a manner prescribed by the commissioner. Restaurant meal
47 delivery companies that purchase meals for resale must source their sales to the delivery location
48 indicated by instructions for delivery to the purchaser and shall separately report sales by
49 municipality in a manner prescribed by the commissioner. The commissioner may also adopt by
50 rule or regulation destination sourcing and reporting rules for caterers or other vendors with a
51 high volume of delivered meals, as the commissioner may determine, in order to mitigate any
52 anti-competitive impact of the local meals tax.

53 Section 4. Reimbursement for the tax imposed by this chapter shall be paid by the
54 purchaser to the vendor, and each vendor in the commonwealth shall add to the sales price and
55 shall collect from the purchaser the full amount of the tax imposed by this chapter and such tax
56 shall be a debt from the purchaser to the vendor, when so added to the sales price, and shall be
57 recoverable at law in the same manner as other debts.

58 Section 5. Upon each sale at retail of alcoholic beverages not to be drunk on the premises
59 and upon each sale of a meal by a restaurant taxable under this chapter, the amount of tax
60 collected by the vendor from the purchaser shall be stated and charged separately from the sales
61 price and shown separately on any record thereof at the time the sale is made or on any evidence
62 of sale issued or used by the vendor, but in the instance of the sale of alcoholic beverages for on
63 premises consumption, the tax collected need not be stated separately.

64 Section 6. Every person who fails to pay to the commissioner any sums required by this
65 chapter shall be personally and individually liable therefor to the commonwealth. The term
66 “person”, as used in this section, includes an officer or employee of a corporation, or a member
67 or employee of a partnership or limited liability company, who as an officer, employee or
68 member is under a duty to pay over the taxes imposed by this chapter.

69 Section 7. Notwithstanding the provisions of section 53 of chapter 44 or any other
70 general or special law to the contrary, a city or town that accepts section 2 shall establish a
71 separate account to be known as the Municipal Substance Abuse Prevention and Public Health
72 Fund of which the municipal treasurer shall be the custodian. The authority to approve
73 expenditures from the fund shall be limited to the legislative body and the municipal treasurer
74 shall pay such expenses in accordance with chapter 41.

75 All monies received from the excise imposed under section 2 shall be deposited in the
76 fund. The expenditure of revenues from the fund shall be for the purpose of substance abuse
77 prevention, protecting the public health and other lawful related purposes.