



Senate

General Assembly

File No. 391

February Session, 2004

Substitute Senate Bill No. 42

Senate, April 1, 2004

The Committee on Environment reported through SEN. WILLIAMS of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT AUTHORIZING MUNICIPALITIES TO IMPOSE A SALES TAX ON MEALS TO FUND ANTILITTER PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2004*) (a) As used in this section,
2 (1) "eating establishment" means any restaurant or other business,
3 excluding a cafeteria, that (A) is engaged in the sale of food at retail,
4 and (B) provides for on-premises consumption of the food such
5 restaurant or other business sells, and (2) "food court" means an open
6 area within a shopping mall or other complex with seating capacity
7 provided for the sale and consumption of food.

8 (b) Any municipality may, by ordinance adopted by its legislative
9 body, impose a surcharge on any sale within the meaning of
10 subparagraph (E) of subdivision (2) of subsection (a) of section 12-407
11 of the general statutes, as amended, which is sold for consumption off-
12 premise by any eating establishment located in the municipality. Such
13 surcharge shall not exceed one-half of one per cent of the sale and shall

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 05 \$	FY 06 \$
All Municipalities	See Below	Indeterminate	Indeterminate

Explanation

Municipalities electing to impose a sales tax (of up to ½%) on the sales of food for off-premise consumption would experience revenue gain. Since the bill requires that the tax revenue be deposited into a special account for litter removal and disposal, the revenue gain would not be available for General Fund purposes.

There would also be an ongoing administration cost to municipalities and the initial start-up costs could be significant because municipalities do not currently impose and collect sales taxes.

OLR Bill Analysis

sSB 42

AN ACT AUTHORIZING MUNICIPALITIES TO IMPOSE A SALES TAX ON MEALS TO FUND ANTILITTER PROGRAMS**SUMMARY:**

This bill allows a municipality, by ordinance, to impose a sales tax surcharge of up to 0.5% on sales of food sold in certain establishments in the municipality for off-premises consumption. The bill applies to establishments that sell food at retail and that also provide for on-premises consumption. The municipality must put the money derived from the surcharge into a special fund or account, which it must use for litter removal or disposal. The surcharge does not apply to (1) food sold in cafeterias; (2) food served in the establishment and then transferred to a disposable container to allow the purchaser or patron to take the leftovers to another location; (3) deliveries to the purchaser's home, office, or other designated building; and (4) food sold in food courts in shopping malls and similar complexes.

EFFECTIVE DATE: July 1, 2004

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute Change of Reference

Yea 15 Nay 0

Environment Committee

Joint Favorable Report

Yea 15 Nay 12