

2024 -- S 3135

=====  
LC006229  
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

—————  
A N A C T

RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND  
COMPUTATION -- LOCAL MEALS AND BEVERAGE TAX

Introduced By: Senators McKenney, and Burke

Date Introduced: June 04, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 44-18-18.1 of the General Laws in Chapter 44-18 entitled "Sales and  
2 Use Taxes — Liability and Computation" is hereby amended to read as follows:

3           **44-18-18.1. Local meals and beverage tax.**

4           (a) There is hereby levied and imposed, upon every purchaser of a meal and/or beverage,  
5 in addition to all other taxes and fees now imposed by law, a local meals and beverage tax upon  
6 each and every meal and/or beverage sold within the state of Rhode Island in or from an eating  
7 and/or drinking establishment, whether prepared in the eating and/or drinking establishment or not  
8 and whether consumed at the premises or not, at a rate of one percent of the gross receipts. The tax  
9 shall be paid to the tax administrator by the retailer at the time and in the manner provided.

10           (b)(1) All sums received by the division of taxation under this section as taxes, penalties,  
11 or forfeitures, interest, costs of suit, and fines shall be distributed at least quarterly and credited and  
12 paid by the state treasurer to the city or town where the meals and beverages are delivered.

13           (2) Commencing July 1, 2024 and continuing until January 1, 2027, five percent (5%) of  
14 the sums received by the division of taxation under this section shall be paid to the Rhode Island  
15 Semiquincentennial (R.I. 250th) Commission to be used solely for the purposes delineated in 2021  
16 Joint Resolution, R 310 as enacted on June 14, 2021.

17           (c) When used in this section, the following words have the following meanings:

18           (1) "Beverage" means all nonalcoholic beverages, as well as alcoholic beverages, beer,

1 lager beer, ale, porter, wine, similar fermented malt, or vinous liquor.

2 (2) "Eating and/or drinking establishment" means and includes restaurants, bars, taverns,  
3 lounges, cafeterias, lunch counters, drive-ins, roadside ice cream and refreshment stands, fish-and-  
4 chip places, fried chicken places, pizzerias, food-and-drink concessions, or similar facilities in  
5 amusement parks, bowling alleys, clubs, caterers, drive-in theatres, industrial plants, race tracks,  
6 shore resorts or other locations, lunch carts, mobile canteens and other similar vehicles, and other  
7 like places of business that furnish or provide facilities for immediate consumption of food at tables,  
8 chairs, or, counters or from trays, plates, cups, or other tableware, or in parking facilities provided  
9 primarily for the use of patrons in consuming products purchased at the location. Ordinarily, eating  
10 establishment does not mean and include food stores and supermarkets. Eating establishments does  
11 not mean "vending machines," a self-contained automatic device that dispenses for sale foods,  
12 beverages, or confection products. Retailers selling prepared foods in bulk, either in customer-  
13 furnished containers or in the seller's containers, for example "Soup and Sauce" establishments,  
14 are deemed to be selling prepared foods ordinarily for immediate consumption and, as such, are  
15 considered eating establishments.

16 (3) "Meal" means any prepared food or beverage offered or held out for sale by an eating  
17 and/or drinking establishment for the purpose of being consumed by any person to satisfy the  
18 appetite and that is ready for immediate consumption. All such food and beverage, unless otherwise  
19 specifically exempted or excluded herein shall be included, whether intended to be consumed on  
20 the seller's premises or elsewhere, whether designated as breakfast, lunch, snack, dinner, supper,  
21 or by some other name, and without regard to the manner, time, or place of service.

22 (d) This local meals and beverage tax shall be administered and collected by the division  
23 of taxation, and unless provided to the contrary in this chapter, all of the administration, collection,  
24 and other provisions of chapters 18 and 19 of this title apply.

25 SECTION 2. This act shall take effect on July 1, 2024.

=====  
LC006229  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND  
COMPUTATION -- LOCAL MEALS AND BEVERAGE TAX

\*\*\*

1           This act would provide funding to the Rhode Island Semiquincentennial (R.I. 250)  
2 Commission to host statewide and local activities that are beyond the capacity of any individual  
3 city, town or region to organize and perform. The act would allocate five percent (5%) of revenues  
4 from the local meals and beverage tax, to the Commission for the execution of its duties and the  
5 funding would be effective for a period commencing July 1, 2024 and ending December 31, 2026.  
6 The act would also enable the Commission to fund, among others, activities in host municipalities  
7 (including, but not limited to, Tall Ships, Water Fire, civics education), as well as to support  
8 cooperative multi-city and multi-region public commemorations.

9           This act would take effect on July 1, 2024.

=====  
LC006229  
=====