HOUSE DOCKET, NO. 1595 FILED ON: 1/15/2025

HOUSE . . . . . No. 3138

The Commonwealth of Massachusetts

PRESENTED BY:

Steven S. Howitt

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 green vendor tax credit.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Steven S. Howitt	*4th Bristol*	*1/15/2025*

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HOUSE . . . . . No. 3138

By Representative Howitt of Seekonk, a petition (accompanied by bill, House, No. 3138) of Steven S. Howitt for legislation to provide tax credits to restaurants utilizing reusable utensils, dishes, glasses and bulk condiments. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *2837* OF 2023-2024.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act relative to a green vendor tax credit.

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

SECTION 1. Chapter 21A of the General Laws, as appearing in the 2022 Official Edition is hereby amended by inserting after Section 28 the following section:-

Section 29. (A) As used in the section, the following words shall have the following meanings:

"Association" shall mean the Green Restaurant Association.

"Certified Green Restaurant" shall mean a restaurant, as defined by this section, which has earned certification by fulfilling requirement standards by the department

"Department" shall mean the department of environmental protection

“Restaurant" shall have the same meaning as provided in (h) of Section 6 of Chapter 64H, and shall also include mobile food trucks, vendors and caterers.

(B) Each county that has satisfied the specified number of Certified Green Restaurants as per the requirements set for it by the department may identify itself as a "Green Dining Destination" and may use that designation on its website and in all promotional materials.

(C) When doing state business which requires the use of a restaurant, each state agency must give preference to the use of Certified Green Restaurants, unless the state agency has determined that such option is not reasonable.

(D) Napkins, Bags, Cups, & Take-Out Containers must meet the recycling and composting standards as determined by the department

(E) A restaurant that has been determined by the department to meet the following specified criteria shall be eligible for a sales and use tax credit in the amount of $5,000 upon certification and shall be entitled to a receive an additional $5,000 tax credit per year for a maximum of three (3) years following certification should the restaurant continue to meet the department’s certification standards:

1. Prior to January 1, 2027, the Association shall have determined that the restaurant utilized disposable dishes and utensils; and

2. Subsequent to January 1, 2027, the restaurant becomes a Certified Green Restaurant and earns the Reusable Badge by evidencing the use of the following practices:

i. While providing dining in services, the restaurant shall employ the following practices: reusable utensils; reusable dishes; reusable glasses; and bulk condiments

ii. While providing dining out services, the restaurant shall employ the following practices: a reusable mug discount incentive program; a reusable container incentive program; provide condiment, napkin, straw, and utensils by request only.

Not more than 250 restaurants shall be eligible to claim this credit in any fiscal year. Restaurants certified by the department as eligible to receive the credit shall receive priority over new restaurant applicants in subsequent fiscal years.

(F) A restaurant that has been determined by the department to meet the following specified criteria shall be eligible for a sales and use tax credit in the amount of $5,000 upon certification and shall be entitled to receive an additional $5,000 tax credit in the year following its certification by the department should the restaurant continue to meet the certification standards:

1. A restaurant whose main competitors that the department determines would usually use disposables in-house; and

2. Restaurant is a Certified Green Restaurant and earns the Reusable Badge, as described in subsection (E), clause 2.

Not more than 250 restaurants shall be eligible to claim this credit in any fiscal year. Restaurants certified by the department as eligible to receive the credit shall receive priority over new restaurant applicants in subsequent fiscal years.

(G) If a restaurant does not use the entire tax credit provided in subsections (E) or (F) in the taxable year or reporting period in which the credit is awarded, any excess amount may be carried forward to a succeeding taxable year or reporting period. A tax credit applied against

taxes imposed under chapter 212 may be carried forward for a maximum of 5 years after the date the credit is awarded.

(H) The department shall promulgate rules and regulations, as necessary, to implement this section, including the adoption of the Green Restaurant Certification and the Green Dining Destination standards adopted by the association, as the same may be amended from time to time. The department may jointly collaborate with the Association when establishing standards and rules and regulations necessary and such regulations must be consistent with those of the Association. When establishing such standards and regulations the department's criteria shall include, but not be limited to: (i) energy; (ii) water; (iii) reusable items; (iv) disposables; (v) food and beverage; (vi) chemicals and pollution prevention; (vii) grease collection; (viii) linens; (ix) pest control; (x) recycling and compositing; and (xi) employee accreditation.

(I) The credits against the sales and use tax authorized shall be deducted from any sales and use tax remitted by the dealer to the department by electronic funds transfer and may only be deducted on a sales and use tax return initiated through electronic data interchange. The dealer shall separately state the credit on the electronic return. The net amount of tax due and payable must be remitted by electronic funds transfer. If the credit for the qualified expenditures is larger than the amount owed on the sales and use tax return that is eligible for the credit, the unused amount of the credit may be carried forward to a succeeding reporting period as provided in A dealer may only obtain a credit using the method described in this paragraph. A dealer may not obtain a credit by applying for a refund.

SECTION 2. The department shall complete the requirements of subsection (H) no later than one year after the passage of this act.