SENATE DOCKET, NO. 741 FILED ON: 1/14/2025

SENATE . . . . . No. 1940

The Commonwealth of Massachusetts

PRESENTED BY:

Cynthia Stone 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:
Cynthia Stone Creem	*Norfolk and Middlesex*

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SENATE . . . . . No. 1940

By Ms. Creem, a petition (accompanied by bill, Senate, No. 1940) of Cynthia Stone Creem for legislation relative to a local option excise on the sale of alcoholic beverages for municipal substance abuse prevention and public health programs. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *1773* OF 2023-2024.]

The Commonwealth of Massachusetts

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

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:

SECTION 1. The General Laws are hereby amended by inserting after Chapter 64N the following chapter:-

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

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

7 “Restaurant”, the same meaning as in in paragraph (h) of section 6 of chapter 64H, except
8 that beverages sold in unopened original containers or packages when sold as a unit having a
9 capacity of at least twenty-six fluid ounces shall be subject to the excise.

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

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

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

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

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

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

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

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

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

46 A vendor with multiple business locations in the commonwealth shall separately report
47 sales sourced to each location in a manner prescribed by the commissioner. Restaurant meal
48 delivery companies that purchase meals for resale must source their sales to the delivery location
49 indicated by instructions for delivery to the purchaser and shall separately report sales by
50 municipality in a manner prescribed by the commissioner. The commissioner may also adopt by

51 rule or regulation destination sourcing and reporting rules for caterers or other vendors with a
52 high volume of delivered meals, as the commissioner may determine, in order to mitigate any
53 anti-competitive impact of the local meals tax.

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

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

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

70 Section 7. Notwithstanding the provisions of section 53 of chapter 44 or any other
71 general or special law to the contrary, a city or town that accepts section 2 shall establish a
72 separate account to be known as the Municipal Substance Abuse Prevention and Public Health

73 Fund of which the municipal treasurer shall be the custodian. The authority to approve
74 expenditures from the fund shall be limited to the legislative body and the municipal treasurer
75 shall pay such expenses in accordance with chapter 41.

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