
By: The President (Administration) and Senators Amoss, Collins, and Craig

Introduced and read first time: January 22, 1996

Rule 32(d) suspended

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 15, 1996

CHAPTER ____

1 AN ACT concerning

2 **Sales and Use Tax - Snack Food**

3 FOR the purpose of repealing an exception for certain snack food to a certain exemption
4 under the sales and use tax; exempting from the sales and use tax the sale of certain
5 snack food through vending machines; and providing for the effectivedate of this
6 Act.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 11-206(a) and (c)
10 Annotated Code of Maryland
11 (1988 Volume and 1995 Supplement)

12 BY adding to
13 Article - Tax - General
14 Section 11-206(g)
15 Annotated Code of Maryland
16 (1988 Volume and 1995 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Tax - General**

20 11-206.

21 (a) (1) In this section the following words have the meanings indicated.

2

1 (2) "Food for immediate consumption" means:

2 (i) food obtained from a salad, soup, or dessert bar;

3 (ii) party platters;

4 (iii) heated food;

5 (iv) sandwiches suitable for immediate consumption; or

6 (v) ice cream, frozen yogurt, and other frozen desserts, sold in
7 containers of less than 1 pint.

8 (3) "Facility for food consumption" does not include parking spaces for
9 vehicles as the sole accommodation.

10 (4) (i) "Food" means food for human consumption.

11 (ii) "Food" includes the following foods and their products:

12 1. beverages, including coffee, coffee substitutes, cocoa, fruit
13 juices, and tea;

14 2. condiments;

15 3. eggs;

16 4. fish, meat, and poultry;

17 5. fruit, grain, and vegetables;

18 6. milk, including ice cream; and

19 7. sugar.

20 (iii) "Food" does not include:

21 1. an alcoholic beverage as defined in § 5-101 of this article;

22 2. a soft drink or carbonated beverage; or

23 3. candy or confectionery.

24 (5) "Premises" includes any building, grounds, parking lot, or other area
25 that:

26 (i) a food vendor owns or controls; or

27 (ii) another person makes available primarily for the use of the patrons
28 of 1 or more food vendors.

29 [(6) "Snack food" means:

30 (i) potato chips and sticks;

31 (ii) cornchips;

(iii) pretzels;

3

- 1 (iv) cheese puffs and curls;
- 2 (v) pork rinds;
- 3 (vi) extruded pretzels and chips;
- 4 (vii) popped popcorn;
- 5 (viii) nuts and edible seeds; or
- 6 (ix) snack mixtures that contain any 1 or more of the foods listed in
- 7 items (i) through (viii) of this paragraph.

8 (7)] (6) "Substantial grocery or market business" means a business at
9 which at least 10% of all sales of food are sales of grocery or market food items, not
10 including food normally consumed on the premises even though it is packaged to carry
11 out.

12 (c) (1) Except as provided in paragraph (2) of this subsection, the sales and use
13 tax does not apply to a sale of food for consumption off the premises by a food vendor
14 who operates a substantial grocery or market business at the same location where the
15 food is sold.

16 (2) The exemption under paragraph (1) of this subsection does not apply to:

- 17 (i) food that the vendor serves for consumption on the premises of the
- 18 buyer or of a third party; OR
- 19 (ii) food for immediate consumption[; or
- 20 (iii) snack food].

21 (G) (1) IN THIS SUBSECTION, "SNACK FOOD" MEANS:

- 22 (I) POTATO CHIPS AND STICKS;
- 23 (II) CORNCHIPS;
- 24 (III) PRETZELS;
- 25 (IV) CHEESE PUFFS AND CURLS;
- 26 (V) PORK RINDS;
- 27 (VI) EXTRUDED PRETZELS AND CHIPS;
- 28 (VII) POPPED POPCORN;
- 29 (VIII) NUTS AND EDIBLE SEEDS; OR
- 30 (IX) SNACK MIXTURES THAT CONTAIN ANY ONE OR MORE OF THE
- 31 FOODS LISTED IN ITEMS (I) THROUGH (VIII) OF THIS PARAGRAPH.

32 (2) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF SNACK
33 FOOD THROUGH A VENDING MACHINE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 1997.