

# House Bill 2122

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Defines "groceries," for all taxes imposed with respect to groceries, as raw food or processed food, including prepackaged food, sold at retail in retail grocery stores and certain other retail grocery establishments.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

Relating to the definition of "groceries" for tax purposes; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

### **SECTION 1. (1) As used in this section:**

**(a)(A) "Food" means any nutritive substance that humans ingest by swallowing, and chewing gum.**

**(B) "Food" does not mean alcoholic beverages or cannabinoid edibles.**

**(b)(A) "Groceries" means raw food or processed food, including prepackaged food, that is sold at retail in a retail grocery establishment described in subsection (3) of this section.**

**(B) "Groceries" does not mean prepared food, even if sold:**

**(i) From a delicatessen section, counter or case located in a retail grocery store; or**

**(ii) In a convenience store.**

**(c) "Potentially hazardous" has the meaning given that term in ORS 616.723.**

**(2) The definition of "groceries" provided by this section applies to any tax that is:**

**(a) Imposed on or with respect to groceries;**

**(b) Measured by sales, including gross receipts from sales of groceries, units or any other means of measurement for purposes of taxation; or**

**(c) Imposed on any privilege related to groceries.**

**(3)(a) The retail grocery establishments referred to in subsection (1) of this section are:**

**(A) Retail grocery stores, including an outdoor cooking and beverage dispensing area operated by a store on the grounds of the store;**

**(B) Convenience stores;**

**(C) Establishments that predominantly sell food that is not for immediate consumption, including take and bake pizza, whole pies and cakes, loaves of bread, whether baked or unbaked, and premade dinners that must be cooked or reheated;**

**(D) Establishments that offer prepackaged or bulk foods that are not potentially hazardous, whether the sale of such foods is the primary business of the establishment or only incidental to the primary business;**

**(E) Vending machines;**

**(F) Farmers' markets and produce stands that sell fresh fruits and vegetables; and**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

- 1       **(G) Food banks.**
- 2       **(b) The retail grocery establishments referred to in subsection (1) of this section do not**
- 3 **include:**
- 4       **(A) Bars and taverns;**
- 5       **(B) Bed and breakfast facilities;**
- 6       **(C) Cafeterias;**
- 7       **(D) Catered feeding locations;**
- 8       **(E) Coffee shops;**
- 9       **(F) Commissaries;**
- 10       **(G) Conveyances used to transport people;**
- 11       **(H) Delicatessens, including delicatessen sections, counters or cases located in any es-**
- 12 **tablishment or institution;**
- 13       **(I) Hospitals, including hospital satellites, or any other institution that provides health**
- 14 **care services;**
- 15       **(J) Hotels, motels or any other form of transient lodging;**
- 16       **(K) Microbreweries and wineries;**
- 17       **(L) Mobile food units, including food carts;**
- 18       **(M) The premises of a fraternal, social or religious organization where food is prepared**
- 19 **for the public;**
- 20       **(N) Private clubs;**
- 21       **(O) Restaurants, including food establishments that relinquish possession of prepared**
- 22 **food to a consumer directly through a takeout order;**
- 23       **(P) Senior citizen centers; or**
- 24       **(Q) Snack bars.**

25       **SECTION 2. This 2019 Act takes effect on the 91st day after the date on which the 2019**

26 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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