

LD 1335  
LR 629  
TAX  
jsj  
5/22/21

SPONSOR PROPOSED AMENDMENT  
REP. TEPLER

Amend the bill by making the changes highlighted in yellow:

**An Act To Provide for Exemption from the Sales Tax for Basic Needs  
Menstrual Products and Offset the Loss of Revenue**

Be it enacted by the People of the State of Maine as follows:

**Sec. 1. 36 MRSA §1752, sub-§3-B**, as amended by PL 2019, c. 231, Pt. A, §§5 and 6, is further amended to read:

**3-B. Grocery staples.** "Grocery staples" means food products ordinarily consumed for human nourishment and certain basic needs products as specified in this subsection.

"Grocery staples" does not include:

- A. Spirituous, malt or vinous liquors;
- B. Medicines, tonics, vitamins and preparations sold as dietary supplements or adjuncts, except when sold on the prescription of a physician;
- C. Water, including mineral bottled and carbonated waters and ice;
- D. Dietary substitutes;
- E. Candy and confections, including but not limited to confectionery spreads. As used in this paragraph, "candy" means a preparation of sugar, honey or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops or pieces;
- F. Prepared food;
- G. The following food and drinks ordinarily sold for consumption without further preparation:
  - (1) Soft drinks and powdered and liquid drink mixes except powdered milk, infant formula, coffee and tea;
  - (2) Sandwiches and salads;
  - (3) Supplemental meal items such as corn chips, potato chips, crisped vegetable or fruit chips, potato sticks, pork rinds, pretzels, crackers, popped popcorn, cheese sticks, cheese puffs and dips;
  - (4) Fruit bars, granola bars, trail mix, breakfast bars, rice cakes, popcorn cakes, bread sticks and dried sugared fruit;
  - (5) Nuts and seeds that have been processed or treated by salting, spicing, smoking, roasting or other means;
  - (6) Desserts and bakery items, including but not limited to doughnuts, cookies, muffins, dessert breads, pastries, croissants, cakes, pies, ice cream

cones, ice cream, ice milk, frozen confections, frozen yogurt, sherbet, ready-to-eat pudding, gelatins and dessert sauces; and  
(7) Meat sticks, meat jerky and meat bars.

As used in this paragraph, "without further preparation" does not include combining an item with a liquid or toasting, microwaving or otherwise heating or thawing a product for palatability rather than for the purpose of cooking the product; and

H. Notwithstanding any ~~other~~ provision of law to the contrary, any food product containing any amount of marijuana or marijuana product.

"Grocery staples" includes bread and bread products, jam, jelly, pickles, honey, condiments, maple syrup, spaghetti sauce or salad dressing, toilet paper, or menstrual products or diapers when packaged as a separate item for retail sale.

**Sec. 2. Study of sales tax exemption for basic needs products.** The Department of Administrative and Financial Services, Maine Revenue Services shall study the potential tax revenue that would be lost by classifying toilet paper, menstrual products and diapers as grocery staples, as defined in the Maine Revised Statutes, Title 36, section 1752, subsection 3-B and exempted from sales tax under Title 36, section 1760, subsection 3.

**Sec. 3. Offsetting any loss of revenue.** The Department of Administrative and Financial Services, Maine Revenue Services shall study available options to offset any loss of revenue that may result from the classification of toilet paper, menstrual products and diapers as grocery staples, including placing taxes on imported luxury foods, such as cheese, jam, jelly or flavored coffee creamer.

**Sec. 4. Reporting.** No later than December 1, 2021, the Department of Administrative and Financial Services, Maine Revenue Services shall submit a report to the Joint Standing Committee on Taxation containing a summary of its findings under sections 2 and 3 and making recommendations, including any suggested legislation, to the committee. The committee may submit a bill based on the report to the Second Regular Session of the 130th Legislature.

**Sec. 5. Effective date.** That section of this Act that amends the Maine Revised Statutes, Title 36, section 1752, subsection 3-B takes effect August 1, 2022.

## SUMMARY

This amendment removes the provisions in the bill including toilet paper and diapers in the sales tax exemption for grocery staples