

STATEMENT OF PURPOSE

RS21976

The purpose of this legislation is to clarify the serving size of a free tasting of wine or beer and exempt tasting of food from the payment of use taxes, if given as a free sample to a potential customer. This legislation also defines a sample of nonalcoholic beverages and food as a sample from a unit available for sale at the tasting location. The collection of use taxes from free samples of beverages and food given to potential customers is difficult to administrate and onerous on business owners who may, at some point, be asked to go back years into records to pay use taxes on free samples. It is also believed that the costs of administration would outweigh the potential revenues. Similar legislation was passed in 2012 by the Idaho Legislature under H 489 which exempted tasting of beverages including, but not limited to, wine and beer from the payment of use taxes.

FISCAL NOTE

There will be a de minimus impact to the General Fund.

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