

HOUSE No. 2837

The Commonwealth of Massachusetts

PRESENTED BY:

Steven S. Howitt

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 green vendor tax credit.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Steven S. Howitt</i>	<i>4th Bristol</i>	<i>1/18/2023</i>
<i>Michael J. Soter</i>	<i>8th Worcester</i>	<i>1/30/2023</i>

HOUSE No. 2837

By Representative Howitt of Seekonk, a petition (accompanied by bill, House, No. 2837) of Steven S. Howitt and Michael J. Soter for legislation to provide tax credits to restaurants utilizing reusable utensils, dishes, glasses and bulk condiments. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2950 OF 2021-2022.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to a green vendor tax credit.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 21A of the General Laws, as appearing in the 2020 Official Edition
2 is hereby amended by inserting after section 28 the following section:-

3 Section 29. (A) As used in the section, the following words shall have the following
4 meanings:

5 “Association” shall mean the Green Restaurant Association.

6 “Certified Green Restaurant” shall mean a restaurant, as defined by this section, which
7 has earned certification by fulfilling requirement standards by the department

8 “Department” shall mean the department of environmental protection

9 “Restaurant” shall have the same meaning as provided in (h) of section 6 of chapter 64H,
10 and shall also include mobile food trucks, vendors and caterers.

11 (B) Each county that has satisfied the specified number of Certified Green Restaurants as
12 per the requirements set for it by the department may identify itself as a "Green Dining
13 Destination" and may use that designation on its website and in all promotional materials.

14 (C) When doing state business which requires the use of a restaurant, each state agency
15 must give preference to the use of Certified Green Restaurants, unless the state agency has
16 determined that such option is not reasonable.

17 (D) Napkins, Bags, Cups, & Take-Out Containers must meet the recycling and
18 composting standards as determined by the department

19 (E) A restaurant that has been determined by the department to meet the following
20 specified criteria shall be eligible for a sales and use tax credit in the amount of \$5,000 upon
21 certification and shall be entitled to receive an additional \$5,000 tax credit per year for a
22 maximum of three (3) years following certification should the restaurant continue to meet the
23 department’s certification standards:

24 1. Prior to January 1, 2024, the Association shall have determined that the restaurant
25 utilized disposable dishes and utensils; and

26 2. Subsequent to January 1, 2024, the restaurant becomes a Certified Green
27 Restaurant and earns the Reusable Badge by evidencing the use of the following practices:

28 i. While providing dining services, the restaurant shall employ the following
29 practices: reusable utensils; reusable dishes; reusable glasses; and bulk condiments

30 ii. While providing dining out services, the restaurant shall employ the following
31 practices: a reusable mug discount incentive program; a reusable container incentive program;
32 provide condiment, napkin, straw, and utensils by request only.

33 Not more than 250 restaurants shall be eligible to claim this credit in any fiscal year.
34 Restaurants certified by the department as eligible to receive the credit shall receive priority over
35 new restaurant applicants in subsequent fiscal years.

36 (F) A restaurant that has been determined by the department to meet the following
37 specified criteria shall be eligible for a sales and use tax credit in the amount of \$5,000 upon
38 certification and shall be entitled to receive an additional \$5,000 tax credit in the year following
39 its certification by the department should the restaurant continue to meet the certification
40 standards:

41 1. A restaurant whose main competitors that the department determines would usually
42 use disposables in-house; and

43 2. Restaurant is a Certified Green Restaurant and earns the Reusable Badge, as described
44 in subsection (E), clause 2.

45 Not more than 250 restaurants shall be eligible to claim this credit in any fiscal year.
46 Restaurants certified by the department as eligible to receive the credit shall receive priority over
47 new restaurant applicants in subsequent fiscal years.

48 (G) If a restaurant does not use the entire tax credit provided in subsections (E) or (F) in
49 the taxable year or reporting period in which the credit is awarded, any excess amount may be
50 carried forward to a succeeding taxable year or reporting period. A tax credit applied against

51 taxes imposed under chapter 212 may be carried forward for a maximum of 5 years after the date
52 the credit is awarded.

53 (H) The department shall promulgate rules and regulations, as necessary, to implement
54 this section, including the adoption of the Green Restaurant Certification and the Green Dining
55 Destination standards adopted by the association, as the same may be amended from time to
56 time. The department may jointly collaborate with the Association when establishing standards
57 and rules and regulations necessary and such regulations must be consistent with those of the
58 Association. When establishing such standards and regulations the department's criteria shall
59 include, but not be limited to: (i) energy; (ii) water; (iii) reusable items; (iv) disposables; (v) food
60 and beverage; (vi) chemicals and pollution prevention; (vii) grease collection; (viii) linens; (ix)
61 pest control; (x) recycling and compositing; and (xi) employee accreditation.

62 (I) The credits against the sales and use tax authorized shall be deducted from any sales
63 and use tax remitted by the dealer to the department by electronic funds transfer and may only be
64 deducted on a sales and use tax return initiated through electronic data interchange. The dealer
65 shall separately state the credit on the electronic return. The net amount of tax due and payable
66 must be remitted by electronic funds transfer. If the credit for the qualified expenditures is larger
67 than the amount owed on the sales and use tax return that is eligible for the credit, the unused
68 amount of the credit may be carried forward to a succeeding reporting period as provided in A
69 dealer may only obtain a credit using the method described in this paragraph. A dealer may not
70 obtain a credit by applying for a refund.

71 SECTION 2. The department shall complete the requirements of subsection (H) no later
72 than one year after the passage of this act.