PROPOSITION ___
[HCR 2021 - 2025]

food; municipal tax; exemption

ANALYSIS BY LEGISLATIVE COUNCIL

Proposition ___ would limit the ability of a city, town or other taxing jurisdiction to impose a transaction privilege, sales, use, franchise or other similar tax or fee on food and certain nonalcoholic beverages (ready-to-drink and in a closed container) that are intended for home consumption as follows:

1. For a city, town or other taxing jurisdiction that approved the imposition of such a tax or fee on or before January 1, 2025, any increase in the rate of the tax or fee must be approved by the voters and may not be more than two percent of the tax base. However, if the rate of the tax or fee imposed on or before January 1, 2025 is two percent or more of the tax base, the city, town or other taxing jurisdiction may not increase the rate. Additionally, increases in the rate of the tax or fee may not occur between June 30, 2025 and June 30, 2027.

2. For a city, town or other taxing jurisdiction that has not approved the imposition of such a tax or fee on or before January 1, 2025, the adoption of a new tax or fee and any subsequent increase to the rate of the tax or fee must be approved by the voters and may not be more than two percent of the tax base. Additionally, the adoption of a new tax or fee and any subsequent increase to the rate of the tax or fee may not occur between June 30, 2025 and June 30, 2027.