Polites, James

From: Blanchard, Rob <Rob.Blanchard@ct.gov>
Sent: Tuesday, September 17, 2019 2:48 PM
To: Polites, James; Reiss, Max; Bednarz, David
Cc: McClure, Chris
Subject: RE: Draft Statement: Meals Policy Guidance

That looks good. Can we please see a review draft of the guidance before it goes out and have some type of Q&A or FAQ sheet that lays it out in simple terms for consumers, that way critical legislators won’t be able to run away with this and create facts or hysteria.

From: Polites, James <James.Polites@po.state.ct.us>
Sent: Tuesday, September 17, 2019 2:04 PM
To: Reiss, Max <Max.Reiss@ct.gov>; Bednarz, David <David.Bednarz@ct.gov>
Cc: McClure, Chris <Chris.McClure@ct.gov>; Blanchard, Rob <Rob.Blanchard@ct.gov>
Subject: Draft Statement: Meals Policy Guidance

Hi All --

WFSB (Mike Savino) and NBC, so far, have asked about next DRS steps. I’m going to respond with:

Any questions, please let me know (Cell: )

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606
FYI-- This is the statement we are now giving reports in response to the letters from Senate and House Dems:

"The budget passed by the General Assembly and signed by the Governor was balanced, on time and did not include an increase to the income tax – despite facing a $3.7B deficit. The budget provided needed funds for municipal aid, education and workforce development programs. Republicans were united against all of these and more -- but, it’s not entirely clear what they are for because they didn’t bother to submit a budget. That being said, the budget must be enacted in the spirit in which it was passed. To that end, Governor Lamont has instructed his OPM Secretary and DRS Commissioner to review DRS’ interpretation of this law, and to do it in short order."
Polites, James

From: Bednarz, David <David.Bednarz@ct.gov>
Sent: Monday, September 16, 2019 4:26 PM
To: Polites, James; Reiss, Max
Subject: RE: Looney, Senate Democrats Call on DRS to Change Interpretation of Sales Tax Application to Meals

This is what we are sending reporters who are asking us for comment: "The administration has seen the letter and we are reviewing it."

From: Polites, James <James.Polites@po.state.ct.us>
Sent: Monday, September 16, 2019 4:24 PM
To: Reiss, Max <Max.Reiss@ct.gov>; Bednarz, David <David.Bednarz@ct.gov>
Subject: FW: Looney, Senate Democrats Call on DRS to Change Interpretation of Sales Tax Application to Meals

FYI below -

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606

From: Keith Phaneuf <kphaneuf@ctmirror.org>
Sent: Monday, September 16, 2019 4:05 PM
To: Polites, James
Subject: Fwd: Looney, Senate Democrats Call on DRS to Change Interpretation of Sales Tax Application to Meals

Begin forwarded message:

From: Keith Phaneuf <kphaneuf@ctmirror.org>
Subject: Fwd: Looney, Senate Democrats Call on DRS to Change Interpretation of Sales Tax Application to Meals
Date: September 16, 2019 at 3:58:30 PM EDT
To: "Polites, James" <James.Polites@po.state.ct.us>

Jim,

Does DRS have a comment on this?

Keith
Begin forwarded message:

From: Kevin Coughlin <kevin.coughlin@cga.ct.gov>
Subject: Looney, Senate Democrats Call on DRS to Change Interpretation of Sales Tax Application to Meals
Date: September 16, 2019 at 3:57:01 PM EDT
To: <kphaneuf@ctmirror.org>
Reply-To: Kevin Coughlin <kevin.coughlin@cga.ct.gov>
Looney, Senate Democrats Call on DRS to Change Interpretation of Sales Tax Application to Meals

HARTFORD – Today, Senate President Martin M. Looney (D-New Haven), Senate Majority Leader Duff (D-Norwalk), and fellow Democratic state senators called on the Connecticut Department of Revenue Services (DRS) to change its interpretation of the sales tax application to meals. The Democratic Senators believe this unexpected interpretation from DRS does not reflect the legislative intent that was clear to the parties during budget negotiations.

In the letter the Democratic Senators state:
"We were shocked to see that DRS has somehow interpreted the language in the budget (PA. 19-117) significantly broaden the base on what meals and beverages would be covered by the sales tax. This interpretation goes against the legislative intent of the new law and against the interpretation of the not all three of our nonpartisan offices."

Full text of letter:

September 16, 2019

Commissioner Scott D. Jackson
Department of Revenue Services
450 Columbus Boulevard
Hartford CT 06103

Dear Commissioner Jackson:

We are writing in reference to the recent Department of Revenue Services Policy Statement (PS 2019) was issued on September 6, 2019.

We were shocked to see that DRS has somehow interpreted the language in the budget (PA. 19-117) significantly broaden the base on what meals and beverages would be covered by the sales tax. This interpretation goes against the legislative intent of the new law and against the interpretation of the not all three of our nonpartisan offices.

As you may be aware, this language was incorporated in Raised Bill 7408 that was heard by the Finance, Revenue and Bonding Committee on April 10, 2019. Unfortunately, as has become commonplace, did not testify on this bill, so if DRS did think this language would drastically increase the base of taxable that opinion was not shared with the General Assembly.

Subsequently, when this language was included in the tax package that was voted out of the Finance Committee (SB 877), again we were not given any DRS input on this interpretation.

Furthermore, during our extensive budget negotiations, and discussions of the fiscal implications of this language in the final budget, never did DRS or the Office of Policy and Management indicate that their interpretation of this language was any different than that of our Office of Fiscal Analysis or Office of Legislative Research.

This unexpected interpretation from DRS would lead to a drastically different fiscal note from OFA and significant change to our budget assumptions currently adopted, something that was never intended by General Assembly or the administration.

We are asking that DRS, in consultation with OPM, revise this Policy Statement to more accurately reflect legislative intent that was clear to all parties during our budget negotiations.

-30-
From: Bednarz, David <David.Bednarz@ct.gov>
Sent: Monday, September 16, 2019 3:12 PM
To: Polites, James; Reiss, Max
Cc: Blanchard, Rob
Subject: RE: Prepared meal tax

He reached out to our office today too and I sent him our statement

From: Polites, James <James.Polites@po.state.ct.us>
Sent: Monday, September 16, 2019 3:10 PM
To: Reiss, Max <Max.Reiss@ct.gov>
Cc: Bednarz, David <David.Bednarz@ct.gov>; Blanchard, Rob <Rob.Blanchard@ct.gov>
Subject: FW: Prepared meal tax

Hi All – FYI below —

Happy to answer with reference to last week’s OTG statement, or suggest reaching out to you. Thanks –

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606

----Original Message----
From: Mike Savino [mailto:Mike.Savino@wfsb.com]
Sent: Monday, September 16, 2019 3:03 PM
To: Polites, James
Subject: Prepared meal tax

Just wanted to see if you wanted to respond to Democrats now saying that DRS has expanded the definition of prepared meals.

Sent from my iPad

This electronic message, including any attachments, may contain proprietary, confidential or privileged information for the sole use of the intended recipient(s). You are hereby notified that any unauthorized disclosure, copying, distribution, or use of this message is prohibited. If you have received this message in error, please immediately notify the sender by reply e-mail and delete it.
We should incorporate the following:

Sent from my iPhone.

On Sep 13, 2019, at 12:41 PM, McClure, Chris <Chris.McClure@ct.gov> wrote:

Keith, the Courant, and Christine Stuart all received this revised fiscal note on the prepared meals sales tax with a hot comment from Senator Fasano calling it "despicable." I was given until 1:15 pm to get a comment in from either OPM or OTG (with the ability to get into the story after it posts). Draft below:

From: Keith Phaneuf [mailto:kphaneuf@ctmirror.org]
Sent: Friday, September 13, 2019 12:20 PM
To: McClure, Chris <Chris.McClure@ct.gov>
Subject: fiscal note

The table below provides a breakout of the estimate in my email below by fiscal year. I apologize for not including this in the original email, but hope it is helpful.

Please let me know if you need anything else,
Evelyn

<table>
<thead>
<tr>
<th>Preliminary Fiscal Impact of Tax on Prepared Meals</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in millions)</td>
</tr>
<tr>
<td>FY 20</td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td>PA 19-117 Estimate</td>
</tr>
<tr>
<td>DRS FS 2019(2) Impact 2</td>
</tr>
<tr>
<td>Total State Impact</td>
</tr>
</tbody>
</table>
This preliminary estimate is based upon the assumption that 5% of currently exempt food products would be taxed at 7.35% beginning Oct 1, 2019. To the extent that the policy applies to more or less items, there may be a difference in revenue generated.

This estimate includes the application of the 6.35% sales tax to currently exempt food product items. As such a portion of these estimated revenues would be transferred to the STP and MRSA (beginning in FY 22).
OTG has asked, with some degree of urgency, if we can provide more information on where the information came from included in the prepared meals policy statement? I have 12-412(13) up and then where did the specifics come from for the examples of taxable meals?
Polites, James

From: Polites, James
Sent: Thursday, September 12, 2019 4:22 PM
To: 'Reiss, Max'; Bednarz, David
Subject: RE: Policy statement on sales and use tax on meals

Thanks gentlemen — much appreciated.

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606

From: Reiss, Max [mailto:Max.Reiss@ct.gov]
Sent: Thursday, September 12, 2019 4:20 PM
To: Bednarz, David
Cc: Polites, James
Subject: Re: Policy statement on sales and use tax on meals

That's fine

Max Reiss
Director of Communications
Office of Governor Ned Lamont
max.reiss@ct.gov

On Sep 12, 2019, at 4:17 PM, Bednarz, David <David.Bednarz@ct.gov> wrote:

Looping in Max.

From: Polites, James <James.Polites@po.state.ct.us>
Sent: Thursday, September 12, 2019 4:14 PM
To: Bednarz, David <David.Bednarz@ct.gov>
Subject: FW: Policy statement on sales and use tax on meals

Hi Dave — FYI — for response to below, I was going to refer to you for OTG statement.

For part two below (yellow highlight), I was going to say something like:

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606

From: Moser, Erica [mailto.moser@theday.com]
Sent: Thursday, September 12, 2019 3:39 PM
To: Polites, James
Subject: Policy statement on sales and use tax on meals

Hi Jim,

I was wondering if DRS has a comment on the press conference/press release from House and Senate Republicans on the impact of the meals tax on grocery stores, and if you could clarify a few things.

How can grocery stores be clear on what is and isn’t subject to taxation when the policy statement says “include, but are not limited to” for taxable meals and taxable drinks? What will happen if a grocery store doesn’t tax something they’re “supposed” to tax, or vice versa?

Thanks,

Erica Moser
Staff writer, The Day
O: 860-701-4489
C: 215-872-4647
Polites, James

From: Reiss, Max <Max.Reiss@ct.gov>
Sent: Thursday, September 12, 2019 4:20 PM
To: Bednarz, David
Cc: Polites, James
Subject: Re: Policy statement on sales and use tax on meals

That's fine

Max Reiss
Director of Communications
Office of Governor Ned Lamont

max.reiss@ct.gov

On Sep 12, 2019, at 4:17 PM, Bednarz, David <David.Bednarz@ct.gov> wrote:

Looping in Max.

From: Polites, James <James.Polites@po.state.ct.us>
Sent: Thursday, September 12, 2019 4:14 PM
To: Bednarz, David <David.Bednarz@ct.gov>
Subject: FW: Policy statement on sales and use tax on meals

Hi Dave -- FYI -- for response to below, I was going to refer to you for OTG statement.

For part two below (yellow highlight), I was going to say something like:

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606

From: Moser, Erica [mailto:e.moser@theday.com]
Sent: Thursday, September 12, 2019 3:39 PM
To: Polites, James
Subject: Policy statement on sales and use tax on meals

Hi Jim,

I was wondering if DRS has a comment on the press conference/press release from House and Senate Republicans on the impact of the meals tax on grocery stores, and if you could clarify a few things.
How can grocery stores be clear on what is and isn't subject to taxation when the policy statement says "include, but are not limited to" for taxable meals and taxable drinks? What will happen if a grocery store doesn't tax something they're "supposed" to tax, or vice versa?

Thanks,

Erica Moser
Staff writer, The Day
O: 860-701-4489
C: 215-872-4647
Polites, James

From: Polites, James
Sent: Thursday, September 12, 2019 3:10 PM
To: 'Bednarz, David'
Subject: RE: Response to Republican Presser

I will – thanks.

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-6606

From: Bednarz, David [mailto:David.Bednarz@ct.gov]
Sent: Thursday, September 12, 2019 2:59 PM
To: Polites, James
Subject: RE: Response to Republican Presser

Can you refer reporters to OTG and we will send them our statement? Thanks

From: Polites, James <James_Polites@op.state.ct.us>
Sent: Thursday, September 12, 2019 2:13 PM
To: Bednarz, David <David.Bednarz@ct.gov>
Subject: FW: Response to Republican Presser

Hi Dave – FYI below –

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-6606

From: Hardman, Ray [mailto:rhardman@ctpublic.org]
Sent: Thursday, September 12, 2019 2:03 PM
To: Polites, James
Subject: Response to Republican Presser

Hi James – I was wondering if DRS has a response to the Republican press conference where they took issue with how DRS interpreted “prepared meals” in grocery stores?

Best,

Ray
Polites, James

From: Beckham, Jeff R <J.Beckham@ct.gov>
Sent: Thursday, September 12, 2019 3:00 PM
To: Reiss, Max; McClure, Chris
Cc: McCaw, Melissa; Bednarz, David; Blanchard, Rob; Flore, Thomas; Polites, James; Potamianos, Paul; MESSNER, GREGORY
Subject: RE: Grocery tax questions

This is the tax:

(() With respect to the sale of meals, as defined in subdivision (13) of section 12-412, sold by an eating establishment, caterer or grocery store; and spirituous, malt or vinous liquors, soft drinks, sodas or beverages such as are ordinarily dispensed at bars and soda fountains, or in connection therewith; in addition to the tax imposed under subparagraph (A) of this subdivision, at the rate of one per cent;

It is a tax on prepared meals, not groceries or food generally.

Jeffrey R. Beckham
Undersecretary for Legislative Affairs
Office of Policy and Management
450 Capitol Avenue
Hartford, Connecticut 06106
jbeckham@ct.gov
OPM: 860-418-6311
Capitol: 860-524-7376
Cell: *********

From: Reiss, Max
Sent: Thursday, September 12, 2019 2:54 PM
To: McClure, Chris <Chris.McClure@ct.gov>
Cc: McCaw, Melissa <Melissa.McCaw@ct.gov>; Bednarz, David <David.Bednarz@ct.gov>; Blanchard, Rob <Rob.Blanchard@ct.gov>; Beckham, Jeff R <J.Beckham@ct.gov>; Flore, Thomas <Thomas.Flore@ct.gov>; Polites, James <James.Polites@drs-h-main.drs.state.ct.us>; Potamianos, Paul <Paul.Potamianos@ct.gov>; MESSNER, GREGORY <GREGORY.MESSNER@ct.gov>
Subject: Re: Grocery tax questions

This is very good. Please add into it a line about record levels in the Rainy Day Fund.

Max Reiss
Director of Communications
Office of Governor Ned Lamont
max.reiss@ct.gov
On Sep 12, 2019, at 2:52 PM, McClure, Chris <Chris.McClure@ct.gov> wrote:

Do either OTG or DRS have a response already?

Draft response:

--- Original Message ---
From: Susan Raff [mailto:Susan.Raff@wfsb.com]
Sent: Thursday, September 12, 2019 1:55 PM
To: McClure, Chris <Chris.McClure@ct.gov>
Subject: Grocery tax questions

Chris,
Can you please answer the following questions:
Why weren’t some of these details brought out before?
Is it fair to use these taxes to balance budget?

How much money will this generate?
Are other states doing similar taxes?
Thank you

Susan Raff
Chief Capitol Reporter
WFSB TV

860 977 7390
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Thanks Dave -- much appreciated.

So far, Keith Phaneuf and Ray Hardman have reached out for a reaction; Commissioner Jackson is on the road but available by phone.

Below includes some of the draft points passed along last week (that DRS could use in a response). Keep in touch.

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-6606

FOR IMMEDIATE RELEASE
September 12, 2019

Democrat “Meals Tax” Will Put 7.35% New Tax on Long List of Groceries Never Taxed Before, According to DRS

Fasano, Candelora: “The Democrat budget continues to hurt working and middle class families.”

HARTFORD—Today Senate and House Republican lawmakers held a press conference regarding newly released details on the “meals tax” included in the Democrat state budget set to go into effect October 1, 2019.

According to a Department of Revenue Services policy statement issued this week, the Democrat-approved 7.35% tax will be applied to a long list of food items that have never been taxed when sold in grocery stores before.

The tax will apply to not only prepared meals such as sandwiches, deli salads, pizza and hot buffet items, but also containers of lettuce, small packages of snacks, loose baked goods, wrapped salads, small servings of ice cream, and meal replacement bars. It also applies to fountain drinks including coffee and any beverage sold with a taxable “meal.”
Earlier this year, Democrat lawmakers labeled the new tax as only a 1% tax increase on items already taxed at 6.35%, but the DRS statement clarifies that the new 7.35% tax will also apply to many food items that have never been taxed at all before when sold in grocery stores. The policy also results in a tax increase on all food items sold by restaurants and eating establishments.

“Once again, the Democrat budget continues to hurt working and middle class families, taking more and more out of people’s wallets every day,” said Senate Republican Leader Len Fasano and Deputy House Republican Leader Vincent Candelora.

“The public was outraged when the governor proposed a 2% tax on groceries. But Democrats went ahead and approved a 7.35% tax on certain grocery items anyway. It’s mind boggling. This tax is going to hurt the working parents picking up dinner for their family. It’s going to hurt seniors on fixed incomes who may not always feel up to cooking a full meal but who can’t afford to go out to eat or get takeout. It’s a regressive tax increase that will be most harmful to those who are already struggling the most.”

The DRS document explains that items sold at restaurants and eateries currently taxed at 6.35% will see a 1% tax increase. It also clarifies that the total 7.35% tax rate will also be effective in grocery stores, “which previously taxed meals in a different manner than other eating establishments.”

--- more ---

DRS Examples of Taxable “Meals” (taxed at 7.35% in eating establishments AND grocery stores):

- Sandwiches, grinders, and wraps;
- Popsicles, ice cream cones, cups, sundaes, and other individual servings of frozen desserts unless sold in factory prepackaged multi-unit packs;
- Ice cream, frozen yogurt, and other frozen desserts sold in containers of less than one pint;
- Salads sold at salad bars;
- Lettuce or greens-based salads sold in containers of 8 ounces or less;
- Salads that are not greens-based (macaroni, potato, pasta, fruit, etc.) sold in containers of 8 ounces or less;
- Donuts, muffins, rolls, bagels, and pastries (5 or fewer);
- Cookies sold loose (5 or fewer when cookies are sold by quantity, or less than 8 ounces when cookies are sold by weight);
- Pies or cakes by the slice;
- Prepackaged or factory-sealed bags or packages of 5 ounces or less of chips, popcorn, kettle corn, nuts, trail mix, crackers, cookies, snack cakes, or other snack foods, unless sold in factory prepackaged multi-unit packs;
- Pizza, whole or by the slice;
- Cooked chicken sold by the piece, including buckets of chicken, and whole cooked chickens;
- Cooked ribs sold by the piece or portion and whole racks of ribs;
- Hot dogs served on a bun or heated;
- Bagels that are individually prepared;
- Soup sold in containers of 8 ounces or less, unless sold in factory prepackaged units;
- Smoothies;
- Meal replacement bars;
- All beverages provided with the sale of a taxable meal;
- Food sold at a hot buffet;
• Food that is cooked to order;
• Popcorn, kettle corn, nuts and any other snack foods that are kept warm for purchase; and
• Items such as salads, side dishes, and rolls, when sold as part of family pack meals typically including, whole chickens or buckets of chicken, when prepared and sold for immediate consumption, even when the items exceed the weight or quantity limits specified above.

DRS Examples of Taxable Drinks (taxed at 7.35% in eating establishments AND grocery stores):
• Beer, including nonalcoholic beer; & Wine
• Fruit juices, sweetened beverages, soft drinks, and soda;
• Carbonated water;
• Coffee or tea (ready to consume, hot or iced);
• Distilled alcohol such as brandy, rum, whiskey, gin, vodka, and tequila;
• Fountain drinks of any kind;
• Hard cider;
• Kombucha tea, and other naturally carbonated beverages;
• Malt liquor;
• Milkshakes;
• Hot chocolate;
• Syrup-flavored crushed ice drinks;
Thanks Jim. Sue Raff just sent me an email, so I am going to include you on my draft response. Do you know if either you or OTG has gone on the record? I thought I heard Mark Davis say he got the governor on it, but I don't know what the governor said.

No - comes from statutory definition of meals that goes back decades (with the last iteration around 2002).

Susan Sherman from our policy shop did touch base with Tom Fiore last week on same – keep questions coming if you need anything.

Thank you very much. Do you know if the basis for this was NAICS?

Absolutely Chris – here it is:

Hi Jim,

Would you mind shooting me the policy advisory on the prepared foods tax Senator Fasano, et al just had the press conference about?
Polites, James

From: Bednarz, David <David.Bednarz@ct.gov>
Sent: Thursday, September 12, 2019 2:59 PM
To: Polites, James
Subject: RE: Response to Republican Presser

Can you refer reporters to OTG and we will send them our statement? Thanks

From: Polites, James <James.Polites@po.state.ct.us>
Sent: Thursday, September 12, 2019 2:13 PM
To: Bednarz, David <David.Bednarz@ct.gov>
Subject: FW: Response to Republican Presser

Hi Dave -- FYI below --

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606

From: Hardman, Ray [mailto:rhardman@ctpublic.org]
Sent: Thursday, September 12, 2019 2:03 PM
To: Polites, James
Subject: Response to Republican Presser

Hi James -- I was wondering if DRS has a response to the Republican press conference where they took issue with how DRS interpreted “prepared meals” in grocery stores?

Best,

Ray
Polites, James

From: McClure, Chris <Chris.McClure@ct.gov>
Sent: Thursday, September 12, 2019 2:31 PM
To: Polites, James
Subject: RE: Prepared Foods

Thanks Jim. Sue Raff just sent me an email, so I am going to include you on my draft response. Do you know if either you or OTG has gone on the record? I thought I heard Mark Davis say he got the governor on it, but I don't know what the governor said.

Polites, James [mailto:James.Polites@po.state.ct.us]
Sent: Thursday, September 12, 2019 2:28 PM
To: McClure, Chris <Chris.McClure@ct.gov>
Subject: RE: Prepared Foods

No - comes from statutory definition of meals that goes back decades (with the last iteration around 2002).

Susan Sherman from our policy shop did touch base with Tom Fiore last week on same—keep questions coming if you need anything.

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606

From: McClure, Chris [mailto:Chris.McClure@ct.gov]
Sent: Thursday, September 12, 2019 2:20 PM
To: Polites, James
Subject: RE: Prepared Foods

Thank you very much. Do you know if the basis for this was NAICS?

Polites, James [mailto:James.Polites@po.state.ct.us]
Sent: Thursday, September 12, 2019 2:03 PM
To: McClure, Chris <Chris.McClure@ct.gov>
Subject: RE: Prepared Foods

Absolutely Chris – here it is:


Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606
Hi Jim,

Would you mind shooting me the policy advisory on the prepared foods tax Senator Fasano, et al just had the press conference about?
Thanks Jim

From: Polites, James <james.Polites@po.state.ct.us>
Sent: Thursday, September 12, 2019 12:30 PM
To: Bednarz, David <David.Bednarz@ct.gov>; Reiss, Max <Max.Reiss@ct.gov>
Subject: FW: Advisory Updated: GOP Press conference at 1:30PM TODAY

Dave and Max – FYI below –

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606

From: Keith Phaneuf [mailto:kphaneuf@ctmirror.org]
Sent: Thursday, September 12, 2019 12:17 PM
To: Polites, James
Subject: Fwd: Advisory Updated: GOP Press conference at 1:30PM TODAY

Begin forwarded message:

From: "Rall, Nicole" <Nicole.Rall@cga.ct.gov>
Subject: Advisory Updated: GOP Press conference at 1:30PM TODAY
Date: September 12, 2019 at 11:59:57 AM EDT
To: "Rall, Nicole" <Nicole.Rall@cga.ct.gov>

FOR IMMEDIATE RELEASE
September 12, 2019

Senate & House Republican Press Conference

Re: State Officials Release List of Groceries to be Taxed by Democrat Budget October 1st

WHO: Senate Republican Leader Len Fasano, Deputy House Republican Leader Vincent Candelora and members of Senate & House Republican Caucuses

WHAT: Press conference

WHERE: Room 1C, Legislative Office Building, 300 Capitol Ave. Hartford

WHEN: Thursday, September 12, 2019 at 1:30 PM
WHY: To discuss a new Department of Revenue Services policy statement detailing what will be taxed under the new “Meals Tax” passed in the Democrat budget, including a broad range of food items that have never been taxed before when sold in grocery stores. The new tax is set to go into effect October 1, 2019.

###

MEDIA CONTACTS:
Nicole Rall, nicole.rall@ct.gov, 860-240-0092
Pat O’Neil, pat.oneill@ct.gov, 860-240-0094
Polites, James

From: Harris, Jonathan <Jonathan.Harris@ct.gov>
Sent: Friday, September 06, 2019 4:46 PM
To: Jackson, Scott
Cc: Dach, Jonathan; Polites, James
Subject: Re: DRS Policy Statement: Meals Tax

Also sending to Max as our comms leader. He’ll probably get the questions first.

When will this be posted?

Jonathan
Sent from my iPhone

On Sep 6, 2019, at 3:39 PM, Jackson, Scott <Scott.Jackson@po.state.ct.us> wrote:

Gentlemen: this is a little more context on the issue I reached out about earlier today. The big points are the meals tax (as we have gotten used to...) is moving from 6.35% to 7.35%. The piece that is a little bit more challenging is the explicit inclusion of grocery stores as (potential) providers of meals. This leads to potential taxable/ntontaxable outcomes because of the definition of “meal”, especially around certain prepackaged and deli items. We wanted to make sure you were aware and make ourselves available for any discussion you see fit.

Scott

From: Polites, James
Sent: Friday, September 06, 2019 4:20 PM
To: Jackson, Scott
Subject: DRS Policy Statement: Meals Tax

Meals Tax
- DRS has issued an updated Policy Statement, which has been posted to our website for guidance purposes, as a result of Secs. 323-324 of the budget (PA 19-117).
- Those sections added an additional 1% tax on meals and certain beverages, effective October 1, 2019.
- Those sections also specifically added grocery stores as a seller of meals.
- As a result, most of the items listed in the examples of taxable meals, which were previously exempt from taxation when purchased at grocery stores, will now be subject to tax at an effective rate of 7.35%.

Here’s the Policy Statement: https://portal.ct.gov/DRS/Publications/Policy-Statements/2019-/media/13D1B492E9304F929656242847CD1352 ashx

Jim Polites
Communications Director
CT Department of Revenue Services
860-297-5606
I'll take a look did I miss an email from earlier today? Can't find one and want to be sure I had everything.

Jonathan
Sent from my iPhone

On Sep 6, 2019, at 3:39 PM, Jackson, Scott <Scott.Jackson@po.state.ct.us> wrote:

Gentlemen: this is a little more context on the issue I reached out about earlier today. The big points are the meals tax (as we have gotten used to...) is moving from 6.35% to 7.35%. The piece that is a little bit more challenging is the explicit inclusion of grocery stores as (potential) providers of meals. This leads to potential taxable/nontaxable outcomes because of the definition of "meal", especially around certain prepackaged and deli items. We wanted to make sure you were aware and make ourselves available for any discussion you see fit.

Scott

From: Polites, James
Sent: Friday, September 06, 2019 4:20 PM
To: Jackson, Scott
Subject: DRS Policy Statement: Meals Tax

Meals Tax
- DRS has issued an updated Policy Statement, which has been posted to our website for guidance purposes, as a result of Secs. 323-324 of the budget (PA 19-117).
- Those sections added an additional 1% tax on meals and certain beverages, effective October 1, 2019.
- Those sections also specifically added grocery stores as a seller of meals.
- As a result, most of the items listed in the examples of taxable meals, which were previously exempt from taxation when purchased at grocery stores, will now be subject to tax at an effective rate of 7.35%.

Here's the Policy Statement: https://portal.ct.gov/DRS/Publications/Policy-Statements/2019-/media/13D1B492E9304E929662042847CD1352 ashx

Jim Polites
Communications Director
CT Department of Revenue Services
860-287-5606
Hi Dave – hope all is well. A quick heads-up:

Our policy folks here, and Commissioner Jackson, have reached out to OTG policy folks today on this, but I wanted you also to be aware.

DRS typically issues formal guidance in advance of tax changes, like the sales tax on meals that goes into effect on Oct. 1 (to give establishments as much time as possible to prepare). While it may not generate an immediate inquiry – we simply post to our website – one could come.

Highlights:

- DRS has issued a Policy Statement, which has been posted to our website for guidance purposes, as a result of Secs. 323-324 of the budget (PA 19-117).
- Those sections added an additional 1% tax on meals and certain beverages, effective October 1, 2019.
- Those sections also specifically added grocery stores as a seller of meals.
- As a result, most of the items listed in the examples of taxable meals, which were previously exempt from taxation when purchased at grocery stores, will now be subject to tax at an effective rate of 7.35%.

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Any questions, don’t hesitate to get in touch. Have a great weekend.

Jim Polites
Communications Director
CT Department of Revenue Services
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