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Dear Meals Tax Vendor:

As part of the fiscal 2010 budget, a provision has been enacted that gives cities and towns an option to impose a local sales tax on meals of .75% on sales of meals by a restaurant in their jurisdiction. These provisions are in General Laws chapter 64L. See Technical Information Release (TIR) 09-13 for additional information about recent changes to local option taxes at www.mass.gov/dor.

The city/town of **DENNIS** adopted this additional local excise on **05/04/10**. Beginning **07/01/10**, all vendors of meals located within that city or town must collect and remit a total state and local sales tax on meals of 7% to the Massachusetts Department of Revenue (DOR): 6.25% for the state sales tax on meals and .75 % for the local option sales tax on meals.

In addition to filing returns, DOR requires that every sales check issued by a vendor of meals subject to tax must state separately the charge for the meal and the tax. The amounts of state and local taxes on meals may but are not required to be shown as separate line items. If the state and local tax are combined, the sales check should describe that line as "state and local tax," or the menu should contain a notation that state tax of 6.25% and local tax of .75%, totaling 7% are added to the total price of the meal. For restaurant sales of alcoholic beverages for on-premises consumption sold without a meal, the tax collected need not be stated separately.

As a meals tax vendor, you are required to register with DOR each and every separate location where meals are served to ensure that sales are properly sourced to each community that adopts the local option meals tax. On and after October 1, 2009, vendors with multiple locations in Massachusetts that had previously filed their sales tax on meals returns on a consolidated basis will be required to break out their sales by each location. Caterers, restaurant meal delivery companies, and transient meals tax vendors should consult TIR 09-13 for specific rules sourcing their sales and registration requirements.

Chapter 62C, § 21, has also been amended to permit the Department to disclose to the cities and towns any information necessary for administration of the local option tax imposed pursuant to section 3A of chapter 64G (local option rooms) and chapter 64L (local option meals).

Thank you in advance for your cooperation. If you have any questions concerning the local option sales tax on meals, please visit DOR's website at www.mass.gov/dor for a list of frequently asked questions or contact DOR Customer Service at 617-887-6367 or toll-free in MA at 1-800-392-6089.

Sincerely,

Navjeet K. Bal
Commissioner of Revenue