

**SALES AND USE TAX REVIEW COMMISSION  
RECOMMENDATION PURSUANT TO P.L. 1999, C. 416**

**BILL NUMBER:**

A-3427

**DATE OF INTRODUCTION:**

November 13, 2009

**SPONSOR:**

Assemblyman Polistina

**DATE OF RECOMMENDATION:**

March 11, 2009

**IDENTICAL BILL:**

**COMMITTEE:**

Assembly Appropriations Committee

**DESCRIPTION:**

This bill provides for the expansion of the current sales tax exemption for sales of food and food ingredients to include sales of prepared food.

**ANALYSIS:**

This initiative has been advanced as a “fiscal stimulus” to the restaurant industry. The Commission recognizes the desire to adopt laws and policies that will encourage the stability and recovery of small businesses in the State that have suffered from the recent economic downturn. However, it does not agree that an expansion of the sales tax exemption on food will act toward accomplishing that goal. Without substantive evidence to support the sponsor’s assertions, the Commission can not support any legislation that will result in such a significant loss of revenue to the State.

**RECOMMENDATION:**

The Commission does not recommend enactment of this legislation.

**COMMISSION MEMBERS FOR PROPOSAL: 0**

**COMMISSION MEMBERS AGAINST PROPOSAL: 8**

**COMMISSION MEMBERS ABSTAINING: 0**