

Impose carbonated beverage tax of 2 cents per 12 ounce

- Description** This proposal would impose a special excise tax on the privilege of selling carbonated beverages in this state.
- The tax rate would be two cents per 12 ounces of carbonated beverages sold at wholesale or retail in this state.
 - Successive sales of the same carbonated beverage would be exempt, thus the tax would not pyramid.
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- Current Law**
- The sale of carbonated beverages is subject to B&O tax at a rate of 0.471% for retail sales and 0.484% for wholesale sales.
 - The retail sale of soft drinks (carbonated or not) is subject to sales tax.
 - There is a \$1 per gallon tax on syrup used to make carbonated beverages.
 - There is no specific excise tax on the sale of carbonated beverages.

History

- A carbonated beverage tax was imposed from July 1, 2010, through December 2, 2010, when the tax was repealed by Initiative 1107.
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Revenue Impact

General Fund Impact (\$ in millions):

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$0	\$41.6	\$41.6

Notes:

- *Carbonated soft drinks sold at a fountain are not included in this estimate.*
 - *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
 - *Estimates reflect the September 2011 Economic & Revenue Forecast Council revenue forecast.*
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Expenditure Impact

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$28,200	\$21,100	\$49,300
