

Repeal B&O tax credit for syrup tax paid

Description This proposal would eliminate the business and occupation (B&O) tax credit for the amount of syrup tax paid by a syrup buyer.

Current Law RCW 82.64.020 imposes a tax of one dollar per gallon on wholesale and retail sales of syrup used to make carbonated beverages. Successive sales of previously taxed syrup are not subject to the tax.

There is a B&O tax credit for the amount of syrup tax paid by a buyer who purchased the syrup to use in making carbonated beverages that are sold by the buyer. Phased in over time, the amount of the B&O tax credit is now equal to 100 percent of the amount of the syrup tax paid by the buyer. The amount of credit claimed cannot exceed the amount of B&O tax due during a reporting period. Unused credit, however, may be used on subsequent tax returns for up to 12 months after the credit was earned.

Revenue Impact

General Fund Impacts (\$ millions):

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$0	\$7.7	\$7.7

Notes:

- *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
\$1,800	\$2,600	\$4,400
