

2010 -- S 2199

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO TAXATION -- SALES AND USE TAXES -- LIABILITY AND
COMPUTATION

Introduced By: Senators Perry, Sosnowski, Crowley, C Levesque, and DeVall

Date Introduced: February 09, 2010

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes -
2 Liability and Computation" is hereby amended by adding thereto the following section:

3 **44-18-18.2. Bottled soft drink tax.** – (a) There is hereby levied and imposed, upon every
4 purchase of a bottled soft drink, in addition to all other taxes and fees now imposed by law, a
5 bottled soft drink tax upon each and every bottled soft drink sold within the State of Rhode Island
6 at a rate of five cents (\$0.05) for bottled soft drinks up to twenty ounces (20 oz) and ten cents
7 (\$0.10) for bottled soft drinks larger than twenty ounces (20 oz). The tax shall be paid to the tax
8 administrator by the retailer at the time and in the manner provided.

9 (b) All sums received by the division of taxation under this section shall be distributed at
10 least quarterly, credited and paid by the state treasurer to the city or town where the bottled soft
11 drink was sold.

12 (c) As used in this section, the following terms shall have the following meanings:

13 (1) "Bottle" means any closed or sealed glass, metal, paper or plastic container or any
14 other type of container regardless of the size or shape of the container.

15 (2) "Bottled soft drink" means any ready-to-consume soft drink contained in a bottle.

16 (3) "Milk" means natural liquid milk regardless of animal source or butterfat content;
17 natural milk concentrate, whether or not reconstituted, regardless of animal source or butterfat
18 content; or dehydrated natural milk, whether or not reconstituted.

1 (4) "Natural fruit juice" means the original liquid resulting from the pressing of fruit, the
2 liquid resulting from the reconstitution of fruit juice concentrate or the liquid resulting from the
3 restoration of water to dehydrated fruit juice.

4 (5) "Natural vegetable juice" means the original liquid resulting from the pressing of
5 vegetables, the liquid resulting from the reconstitution of vegetable juice concentrate or the liquid
6 resulting from the restoration of water to dehydrated vegetable juice.

7 (6) "Nonalcoholic beverage" means any beverage that is not included in the definition of
8 "Beverage" in the Rhode Island general laws, Title 3, entitled "Alcoholic Beverages."

9 (7) "Retailer" means any person who sells or otherwise dispenses bottled soft drinks to
10 the ultimate consumer.

11 (8) "Sale" means the transfer of title or possession for a valuable consideration of tangible
12 personal property regardless of the manner by which the transfer is accomplished.

13 (9) "Soft drink" means any nonalcoholic beverage, whether naturally or artificially
14 flavored, whether carbonated or noncarbonated, sold for human consumption containing sugar,
15 corn syrup or any other high calorie sweetener, including, but not limited to, cola and other
16 flavored drinks, any fruit or vegetable drink containing fifty percent (50%) or less of natural fruit
17 juice or natural vegetable juice and all other drinks and beverages commonly referred to as soft
18 drinks, but not including coffee or tea, unless the coffee or tea is bottled as a liquid for sale. "Soft
19 drink" does not include "diet" or sugarless low-calorie beverages.

20 (10) "Syrup" means the liquid mixture of basic ingredients used in making, mixing or
21 compounding soft drinks by mixing the syrup with water, simple syrup, ice, fruits, vegetables,
22 fruit juice, vegetable juice or any other product suitable to make a soft drink.

23 (d) The following shall be exempt from the tax imposed by section 44-66-2;

24 (1) Any frozen, freeze dried or other concentrate to which only water is added to produce
25 a nonalcoholic beverage containing more than fifty percent (50%) natural fruit juice or natural
26 vegetable juice;

27 (2) Any nonalcoholic beverage containing more than fifty percent (50%) natural fruit
28 juice or natural vegetable juice;

29 (3) Any product, whether sold in liquid or powder form, that is intended by its
30 manufacturer for consumption by infants and that is commonly referred to as infant formula;

31 (4) Any product, whether sold in liquid or powder form, that is intended by its
32 manufacturer for use as a dietary supplement or for weight reduction;

33 (5) Any product containing milk or milk products.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would impose a tax on the purchase of soft drinks.
- 2 This act would take effect upon passage.

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