

2010 -- S 2779

=====
LC00368
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO TAXATION - OPTIONAL LOCAL SALES AND USE TAX ON SUGAR
SWEETENED BEVERAGES

Introduced By: Senators Sosnowski, and Perry

Date Introduced: April 13, 2010

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 5.2

4 SODA TAX ACT

5 **44-5.2-1. Short title.** -- This chapter shall be known and may be cited as the "Soda Tax
6 Act."

7 **44-5.2-2. Purpose.** -- The purpose of this optional sales and use tax is twofold. The first
8 to impact individual behavior at the point of purchase by increasing the cost of sugar sweetened
9 beverages through a sales and use tax. The second is to support local government's ability to
10 increase its revenue through implementation of such authority. Sugar sweetened beverages are the
11 largest single source of calories in the United States diet. In 1965, the average child consumed
12 fifty (50) calories per day; today, the average is two hundred twenty-four (224) calories per day.
13 In 2007 fifty-seven percent (57%) of the adult population of Rhode Island was classified as
14 overweight or obese. Economic costs of nutrition related diseases are apparent in all aspects of
15 our society including health care costs.

16 **44-5.2-3. Definitions.** -- As used in this chapter:

17 (1) "Beverage tax" means a city or town sales tax on any non-diet soft drinks (soda or
18 pop), sports drinks, sweetened teas, fruit drinks and punches and excludes beverages that are

1 labeled as one hundred percent (100%) fruit juice and water (including carbonated water, flavored
2 or sweetened with non-nutritive sweeteners).

3 (2) "Consumption" means consumed at the time of purchase or carried out to consume
4 later whether in a prepackaged container or decanted at the time of purchase.

5 **44-5.2-4. Imposition of tax. --** Cities and towns empowered to impose a tax pursuant to
6 chapter 44-5 shall have the power to impose a beverage tax under the provisions of this chapter.
7 A city or town may, by ordinance, impose a beverage tax not to exceed twenty percent (20%)
8 which shall be in addition to other sales and use taxes imposed by section 44-18-1.

9 **44-5.2-5. Method of collection. --** Entities that are licensed by the state of Rhode Island
10 that sell beverages for consumption at retail shall impose the beverage tax in accordance with
11 protocols and procedures established the city or town.

12 **44-5.2-6. Liberal construction. --** The provisions of this chapter shall be liberally
13 construed in order to accomplish its purpose.

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

=====
LC00368
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION - OPTIONAL LOCAL SALES AND USE TAX ON SUGAR
SWEETENED BEVERAGES

- 1 This act would authorize cities and towns to impose an additional local sales tax on sugar
- 2 sweetened beverages not to exceed twenty percent (20%).
- 3 This act would take effect upon passage.

=====
LC00368
=====