



Soft Drinks Syrup Tax



82.64.030(1) - Carbonated beverage syrup previously taxed

Description Successive sales of syrup used to produce carbonated beverages are exempt from the syrup tax if the syrup was previously taxed.

Purpose To avoid pyramiding of the tax. This exemption assures that the tax will apply only once to any particular gallon of syrup.

Taxpayer savings	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

Assumptions Business paying tax uses most syrup so the taxpayer savings is minimal.

Data Sources No data on successive sales of previously taxes syrup.

Additional Information	
Category:	Tax base
Year Enacted:	1989
Primary Beneficiaries:	Carbonated beverage retailers and wholesalers who use syrup
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2012

82.64.030(2) - Carbonated beverage syrup exported

Description	Soft drink syrup shipped out of state is exempt from syrup tax.															
Purpose	Limits the soft drink syrup taxed to soft drinks consumed in this state.															
Taxpayer savings	(\$ in millions): <table><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>Indeterminate</td><td>Indeterminate</td><td>Indeterminate</td><td>Indeterminate</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
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State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Assumptions	Business paying tax uses most syrup so the taxpayer savings is minimal.															
Data Sources	No data showing syrup taxpayers taking a deduction for out of state sales															
Additional Information	Additional Information <table><tbody><tr><td>Category:</td><td>Tax base</td></tr><tr><td>Year Enacted:</td><td>1989</td></tr><tr><td>Primary Beneficiaries:</td><td>Carbonated beverage syrup exporters</td></tr><tr><td>Taxpayer Count:</td><td>Indeterminate</td></tr><tr><td>Program Inconsistency:</td><td>None evident</td></tr><tr><td>JLARC Review:</td><td>JLARC completed an expedited review in 2012</td></tr></tbody></table>	Category:	Tax base	Year Enacted:	1989	Primary Beneficiaries:	Carbonated beverage syrup exporters	Taxpayer Count:	Indeterminate	Program Inconsistency:	None evident	JLARC Review:	JLARC completed an expedited review in 2012			
Category:	Tax base															
Year Enacted:	1989															
Primary Beneficiaries:	Carbonated beverage syrup exporters															
Taxpayer Count:	Indeterminate															
Program Inconsistency:	None evident															
JLARC Review:	JLARC completed an expedited review in 2012															

82.64.030(3) - Trademarked carbonated beverage syrup

Description Wholesale sales of trademarked carbonated beverage syrup are exempt from syrup tax if the syrup is sold to a bottler who is appointed by the owner of the syrup trademark to manufacture, distribute and sell the syrup.

Purpose Avoids double taxation, the carbonated beverage syrup was already taxed when originally sold by the manufacturer to the bottler.

Taxpayer savings	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

Repeal of exemption Repealing this exemption would not increase revenues as the tax is shifted to the next purchasers.

Potential revenue gains from full repeal	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

Assumptions The tax is shifted to the next purchaser so there are no revenues or taxpayer savings.

Data Sources None

Additional Information	
Category:	Tax base
Year Enacted:	1991
Primary Beneficiaries:	Bottlers of trademarked beverages
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2012

82.64.030(4) - Carbonated beverage syrup purchased before 6/1/91

Description	Carbonated beverage syrup taxed at first possession prior to June 1, 1991, is exempt from syrup tax.															
Purpose	The carbonated beverage tax changed in 1991. Instead of taxation at first possession of the product, the tax applied at the wholesale transaction. This exemption avoided double taxation of the same product in 1991.															
Taxpayer savings	(\$ in millions): <table><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
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State Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Repeal of exemption	Repealing this exemption would not increase revenues. This exemption no longer applies.															
Potential revenue gains from full repeal	(\$ in millions): <table><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
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State Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Assumptions	This exemption is no longer applicable due to the shelf-life of syrup.															
Data Sources	None															
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Category:	Tax base															
Year Enacted:	1989															
Primary Beneficiaries:	None															
Taxpayer Count:	0															
Program Inconsistency:	None evident															
JLARC Review:	JLARC completed an expedited review in 2012															

82.64.040 - Taxes paid in other states

Description Businesses may take a credit against the syrup tax for similar taxes paid in another state or foreign county.

Purpose Avoids double taxation of the same product.

Taxpayer savings	(\$ in millions):				
		FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	(\$ in millions):				
		FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

- Assumptions**
- West Virginia, Arkansas, and the City of Chicago have various carbonated beverage syrup taxes.
 - There is no data showing carbonated beverage syrup being imported into the state from these areas.
 - The taxpayer savings are Indeterminate but assumed minimal.

Data Sources None

Additional Information	Additional Information	
	Category:	Tax base
Year Enacted:	1989	
Primary Beneficiaries:	Carbonated beverage syrup importers	
Taxpayer Count:	Indeterminate	
Program Inconsistency:	None evident	
JLARC Review:	Excluded from JLARC review	