

2010 -- H 8128

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

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A N A C T

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

Introduced By: Representatives Driver, and Ajello

Date Introduced: May 13, 2010

Referred To: House 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, in addition
4 to all other taxes and fees now imposed by law, a bottled soft drink tax upon each and every
5 bottled soft drink sold within the State of Rhode Island at a rate of five cents (\$0.05) for bottled
6 soft drinks up to twenty ounces (20 oz) and ten cents (\$0.10) for bottled soft drinks larger than
7 twenty ounces (20 oz). The tax shall be paid to the tax administrator by the retailer at the time
8 and in the manner provided.

9 (b) All sums received by the division of taxation under this section shall be deposited into
10 the general fund.

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

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

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

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

18 (4) "Natural fruit juice" means the original liquid resulting from the pressing of fruit, the

1 liquid resulting from the reconstitution of fruit juice concentrate or the liquid resulting from the
2 restoration of water to dehydrated fruit juice.

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

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

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

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

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

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

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

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

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

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

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

31 (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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