It is enacted by the General Assembly as follows:

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

**44-18-18.2. Bottled soft drink tax.** – (a) There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a bottled soft drink tax at a rate of one cent ($0.01) per ounce upon the sale of each and every bottled soft drink sold within the state of Rhode Island by a distributor, manufacturer, or wholesaler to a retailer or other purchaser. The tax shall be paid to the tax administrator by the distributor, manufacturer or wholesaler of the bottled soft drink at the time and in the manner provided.

(b) All sums received by the division of taxation under this section shall be distributed at least quarterly, credited and paid by the state treasurer to the department of health to be used for public health efforts and programs focused on the goal of eradicating obesity.

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

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

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

3) "Distributor, manufacturer or wholesaler" means any person who receives, stores, manufacturers, bottles or sells bottled soft drinks to retail dealers, or to other distributors;

4) "Milk" means natural liquid milk regardless of animal source.
or butterfat content;

natural milk concentrate, whether or not reconstituted, regardless of animal source or butterfat content; or dehydrated natural milk, whether or not reconstituted;

(5) "Natural fruit juice" means the original liquid resulting from the pressing of fruit, the liquid resulting from the reconstitution of fruit juice concentrate or the liquid resulting from the restoration of water to dehydrated fruit juice;

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

(7) "Nonalcoholic beverage" means any beverage that is not included in the definition of "Beverage" in Title 3, entitled "Alcoholic Beverages";

(8) "Retailer" means any person, except a distributor, manufacturer or wholesaler, who purchases bottled soft drinks for sale in the State of Rhode Island to the ultimate consumer;

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

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

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

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

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

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

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

(5) Any product containing milk or milk products.

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

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO TAXATION - SALES AND USE TAXES - LIABILITY
AND

COMPUTATION

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This act would impose a tax on distributors, manufacturers and wholesalers of a soft drink at a rate of one cent ($0.01) per ounce.

This act would take effect upon passage.

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