

1 HB24
2 171661-2
3 By Representative Shedd
4 RFD: Ways and Means General Fund
5 First Read: 08-SEP-15

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8 SYNOPSIS: Under current law, there is no specific
9 excise tax on bottled or canned soft drinks or bulk
10 syrup or powders used to produce such drinks.

11 This bill would levy an excise tax on
12 certain bottled or canned soft drinks and bulk
13 syrup or powders used to produce drinks sold at
14 wholesale in this state and would provide for the
15 distribution of the proceeds.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT

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21 To levy an additional excise tax on the wholesale
22 sale of canned or bottled soft drink beverages and the bulk
23 syrup or powders used to produce the beverages; and to provide
24 for the collection and distribution of the net proceeds of the
25 tax by the State Revenue Department.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. As used in this act, the following terms
2 shall have the following meanings:

3 (1) CONTAINER. Bottle, cask, keg, receptacle, can,
4 or other container that has been securely capped, sealed,
5 crowned, or corked by the manufacturer or bottler.

6 (2) DEPARTMENT. The State Department of Revenue.

7 (3) NET TAX PROCEEDS. The entire proceeds from the
8 tax herein levied less cost of collection, refunds, grants,
9 and credits as may be authorized by law.

10 (4) NONALCOHOLIC BEVERAGE. A beverage which contains
11 less than one half of one percent alcohol volume.

12 (5) PERSON. Individuals, firms, corporations,
13 partnerships, companies, or other agencies, associations,
14 incorporated, or otherwise.

15 (6) POWDER OR OTHER BASE PRODUCT. The solid mixture
16 or basic ingredients used in making, mixing, or compounding
17 soft drinks by mixing with carbonated or plain water, ice, or
18 any other product suitable to make soft drinks, sold or used
19 for the purpose of mixing soft drinks commercially at soda
20 fountains, restaurants, or establishments of any nature which
21 dispense soft drinks, or used to mix and dispense soft drinks
22 from a vending machine.

23 (7) SALE. A sale of bottled or canned soft drink
24 beverages, or the bulk syrup or powder used to produce the
25 beverages, by wholesalers to licensed retail merchants,
26 jobbers, dealers, or other wholesalers for resale and does not

1 include a sale by wholesalers to users or consumers, not for
2 resale.

3 (8) SOFT DRINKS. Any and all proprietary or generic
4 nonalcoholic beverages, such as, but not limited to, soda
5 water, ginger ale, cola, carbonated water, root beer,
6 artificial or natural fruit-flavored soda, or preparations
7 commonly referred to as soft drinks which are manufactured
8 with or without use of any syrup, soft drink syrup, or
9 powders, and nonalcoholic malt beverages commonly referred to
10 as nonalcoholic beer, ale, or other malt and hops-based
11 beverage substitutes. Soft drinks do not include any product
12 containing at least one half of one percent milk fat or
13 bottled water that is not carbonated.

14 (9) STATE. The State of Alabama.

15 (10) SYRUP or SOFT DRINK SYRUP. The liquid mixture,
16 or basic ingredient used in making, mixing, or compounding
17 soft drinks by mixing with carbonated or plain water, ice, or
18 any other product suitable to make soft drinks, sold or used
19 for the purpose of mixing soft drinks commercially at soda
20 fountains, restaurants, or establishments of any nature which
21 dispense soft drinks, or used to mix and dispense soft drinks
22 from a vending machine.

23 Section 2. There is hereby levied and imposed an
24 additional excise tax upon the sale of each container of soft
25 drinks and the bulk syrup or powder used to produce soft
26 drinks, such tax to be paid by the manufacturer, bottler,

1 distributor, or importer of soft drinks. The excise tax shall
2 be calculated as follows:

3 (1) Five cents (\$.05) for each separate container 12
4 ounces or less of capacity of soft drinks sold or offered for
5 sale in the state.

6 (2) An additional five cents (\$.05) for each
7 additional 12 ounces of capacity of soft drinks sold or
8 offered for sale in the state.

9 (3) One dollar (\$1) per gallon of syrup or soft
10 drink syrup sold or offered for sale in the state.

11 (4) Where a container of powder or other base
12 product, other than syrup or soft drink syrup, is sold or
13 offered for sale in the state, the tax on the sale of each
14 container shall be equal to three cents (\$.03) for each 12
15 ounces of soft drink which may be produced from each container
16 by following the manufacturer's directions.

17 The excise tax herein shall be payable in addition
18 to any other tax or license now or hereafter imposed by law.

19 Section 3. The excise tax herein levied shall be
20 collected by the department in the same manner as the state
21 sales tax is collected and all provisions of Title 40 of the
22 Code of Alabama 1975, for the enforcement and collection of
23 the taxes herein levied, are applicable.

24 Section 4. The Department of Revenue shall
25 promulgate rules and regulations to implement, administer, and
26 enforce this act.

1 Section 5. (a) If House Bill No. ____ of the 2015
2 Second Special Session is enacted into law and creates the
3 Priority Budgeting and Responsibility Fund, the net proceeds
4 from the tax levied by this act shall be deposited in the
5 Priority Budgeting and Responsibility Fund.

6 (b) If House Bill No. ____ of the 2015 Second Special
7 Session is not enacted into law or does not create the
8 Priority Budgeting and Responsibility Fund, the net proceeds
9 from the tax levied by this act shall be appropriated to state
10 agencies and programs in accordance with the following
11 priority, respective appropriation amounts, and restricted
12 uses:

13 (1) Department of Veterans Affairs: Three million
14 two hundred thousand dollars (\$3,200,000) to be used for staff
15 and support for offices to be open and wait times minimized.

16 (2) Medicaid: Sixty million dollars (\$60,000,000) to
17 be used to ensure that children's hospitals, rural health
18 care, and services for senior citizens, including nursing home
19 care, and other portions of the Medicaid Program are
20 adequately funded.

21 (3) Implementation of Act 2015-185, 2015 Regular
22 Session (Prison Reform): Twenty-six million dollars
23 (\$26,000,000).

24 (4) Alabama Department of Public Health: One million
25 two hundred thousand dollars (\$1,200,000) to be used for
26 restaurant and food inspections.

1 (5) Department of Senior Services: Four million
2 dollars (\$4,000,000) for the funding of, or matching federal
3 funds for, the purchase of meals for homebound senior citizens
4 and congregate meals at senior centers.

5 (6) Alabama Department of Forensic Sciences: Ten
6 million dollars (\$10,000,000) for staff, facilities, and
7 operations necessary for the timely performance of its duties.

8 (7) Department of Agriculture and Industries: One
9 million six hundred thousand dollars (\$1,600,000) for staff,
10 facilities, and operations at Poultry Diagnostic Centers
11 necessary for the timely performance of the centers' duties.

12 (8) Department of Economic and Community Affairs:
13 One million dollars (\$1,000,000) for litter control grants to
14 local governments and nonprofit organizations.

15 (9) Department of Conservation and Natural
16 Resources, Alabama State Parks Division: Three million dollars
17 (\$3,000,000) for the maintenance and operation of state parks.

18 (10) Any funds remaining after distributions are
19 made pursuant to this subsection shall be transferred to the
20 State General Fund.

21 Section 6. This act shall become effective on
22 October 1, 2015, following its passage and approval by the
23 Governor, or its otherwise becoming law.