

**Amendment 2 to Substitute CB 118965 – Reduce Tax Rate to 1¢ per Fluid Ounce (Herbold)**

Beginning on page 6, after line 20, amend the following subsection as shown:

**"5.53.030 Tax imposed; rates**

A. There is imposed a privilege tax on every person engaging within the City in business as a distributor of sweetened beverages.

1. The amount of tax due shall be equal to the volume of sweetened beverages the distributor distributes in the City, multiplied by the applicable tax rate prescribed in subsection 5.53.030.B.

2. For sweetened beverages that are concentrates, the tax shall be calculated using the largest volume of beverage that would typically be produced by the amount of concentrate distributed based on the manufacturer's instructions or industry practice.

B. The tax rate shall be (~~(\$0.0175)~~)\$0.0100 per fluid ounce of sweetened beverages the distributor distributes."

**Effect:** Reduces the rate of the sweetened beverage tax from \$0.0175 per fluid ounce to \$0.0100 per fluid ounce.