

Council Amendment I to Substitute CB 118965 (D10a) – Multiple Concentrates (Burgess)

On page 6, beginning after line 21, amend the subsection below as follows:

"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. Where a product is produced from more than one concentrate, the rate on each component shall be calculated proportionately, so that the combined tax on the total yields \$0.0175 per fluid ounce on resulting beverage.

B. 1. For sweetened beverages that the Director has certified to have been manufactured by a manufacturer with worldwide gross income of more than \$2,000,000 but less than \$5,000,000 in the prior calendar year, the tax rate shall be \$0.01 per fluid ounce of sweetened beverage the distributor distributes. In order for a sweetened beverage to be eligible for the rate under this subsection 5.53.030.B.1, the manufacturer must apply to the City for certification according to rules established by the Director.

2. For all other sweetened beverages, the tax rate shall be \$0.0175 per fluid ounce of sweetened beverages the distributor distributes."