

Amendment 3 to Substitute CB 118965 – Tax Concentrates at Actual Volume (Johnson)

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

"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. 1. For sweetened beverages that are liquids, syrups, or gels, ~~((F))~~ The tax rate shall be \$0.0175 per fluid ounce of sweetened beverages the distributor distributes.

2. For sweetened beverages that are concentrates in powder form, the tax rate shall be \$0.0175 per ounce of weight."

Beginning on page 9, on line 1, amend following subsection as shown below:

"5.53.080 Rules and regulations

The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.53 for the purpose of carrying out the provisions of this chapter, including but not limited to rules to clarify the inclusion or exclusion of particular products, ~~((the calculation of tax for concentrates based on manufacturer's instructions or industry practice,))~~ rules to implement the exemption for the products of certain manufacturers under subsection 5.53.050.A, and the designation of caloric sweeteners."

Effect: Directs that sweetened beverages that are concentrates shall be taxed based on their actual volume (for liquids and syrups) or weight (for powders) rather than on the volume of beverage that would typically be produced from the concentrate as prepared to the manufacturer's instructions or industry standards.