

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 223  
Second Edition Engrossed 4/25/95  
Senate Finance Committee Substitute Adopted 7/11/95

Short Title: Reduce Soft Drink Tax.

(Public)

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Sponsors:

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Referred to: Appropriations.

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February 20, 1995

1 A BILL TO BE ENTITLED  
2 AN ACT TO REDUCE THE EXCISE TAX ON SOFT DRINKS.  
3 The General Assembly of North Carolina enacts:

4 Section 1. G.S. 105-113.45 reads as rewritten:

5 "**§ 105-113.45. Excise taxes on soft drinks and base products.**

6 (a) Bottled Soft Drinks. – An excise tax of ~~one cent (1¢)~~ three-fourths cent (3/4¢) is  
7 levied on each bottled soft drink.

8 (b) Repealed by Session Laws 1991, c. 689, s. 276.

9 (c) Liquid Base Products. – An excise tax at the rate of ~~one dollar (\$1.00) a gallon~~  
10 seventy-five cents (75¢) is levied on each individual container of a liquid base product.

11 The tax applies regardless whether the liquid base product is diverted to and used for a  
12 purpose other than making a soft drink.

13 (d) Dry Base Products. – An excise tax is levied on each individual container of a  
14 dry base product at the rate:

15 (1) Of ~~one cent (1¢)~~ three-fourths cent (3/4¢) an ounce if the dry base  
16 product is not converted into a syrup or other liquid base product before  
17 it is used to make a soft drink.

- 1           (2) That would apply under subsection (c) to the resulting liquid base  
2           product if the dry base product is converted into a liquid base product  
3           before it is used to make a soft drink.
- 4       (e) Repealed by Session Laws 1991, c. 689, s. 276."  
5       Sec. 2. G.S. 105-113.52(a) reads as rewritten:  
6       "(a) Tax Reduction. – The tax on the first 15,000 gross of bottled soft drinks sold at  
7       wholesale on or after October 1 of each year by a distributor or wholesale dealer who is  
8       liable for the tax and who files a timely report under G.S. 105-113.51 is ~~seventy-two cents~~  
9       ~~(72¢) a gross rather than one-half the amount stated in G.S. 105-113.45.~~ The tax reduction  
10       does not apply to bottled soft drinks acquired by the distributor or wholesale dealer in a  
11       sale in which the distributor or wholesale dealer presented a soft drink certificate of  
12       liability, and it does not apply to sales made by a distributor or wholesale dealer who is  
13       not licensed as required by this Article. When reporting tax due on bottled soft drinks to  
14       which this reduced rate applies, a distributor or wholesale dealer shall pay the reduced  
15       amount."
- 16       Sec. 3. This act becomes effective July 1, 1996. The change made by Section  
17       2 of this act to the tax reduction for certain sales of bottled soft drinks applies to sales  
18       made on or after July 1, 1996.