

6602-S

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Anderson, Loveland, Bauer, Long, Goings, B. Sheldon, Strannigan, Benton, Rossi, Swecker, West, Schow and Oke)

Brief Title: Crediting carbonated beverage taxes against business and occupation taxes.

SB 6602-S - DIGEST

(DIGEST AS PASSED LEGISLATURE)

Provides a credit for carbonated beverage taxes against business and occupation taxes.

Authorizes a credit for fifty percent of the amount of taxes imposed under RCW 82.64.020.

VETO MESSAGE ON SB 6602-S

April 3, 1998

To the Honorable President and Members,
The Senate of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6602 entitled:

"AN ACT Relating to carbonated beverage taxes;"

In 1994, the voters approved Referendum 43, the first tax increase after Initiative 601. This referendum, among other things, increased the tax on carbonated beverage syrup to provide the funds we need to prevent youth violence and provide drug education and drug enforcement programs. The current tax on carbonated beverage syrup is \$1.00 per gallon.

Substitute Senate Bill No. 6602 authorizes a business to claim a credit for one-half of the amount of syrup taxes paid, against its business and occupations tax liability. Allowing one state tax to be credited against another essentially transfers part of the costs for youth violence and drug programs to the state general fund. This is not what the voters agreed to do when they passed Referendum 43.

For these reasons, I have vetoed Substitute Senate Bill No. 6602 in its entirety.

Respectfully submitted,
Gary Locke
Governor