
Finance Committee

HB 2758

Brief Description: Providing a tax credit for syrup sales.

Sponsors: Representatives Ericks, Orcutt, Clibborn, Kessler, Nixon, Sells, McDonald, Williams, P. Sullivan, Roach, McCoy, Woods, Talcott, Haler, Simpson, Sump, Springer, Rodne, Condotta, Serben, Kristiansen, Ahern, Kretz, Linville, Tom, Armstrong and McCune.

Brief Summary of Bill

- A credit is allowed for the carbonated beverage syrup tax against the business and occupation tax.

Hearing Date: 1/24/06

Staff: Rick Peterson (786-7150).

Background:

The business & occupation (B&O) tax is levied for the privilege of doing business in Washington. The tax is levied on the gross receipts of all business activities (except utility activities) conducted within the state. There are generally no deductions for the costs of doing business.

A tax of \$1.00 per gallon is imposed on each wholesale sale and each retail sale of syrup used in making carbonated beverages in this state. Successive sales of previously taxed syrup are exempt. The tax is collected by wholesalers from retail purchasers or directly by retailers. Receipts from the tax are deposited into the violence reduction and drug enforcement account.

Summary of Bill:

A retailer may claim a credit against B&O tax liability for taxes imposed on syrup and paid after July 1, 2006, to a wholesaler or to the department. The amount of the credit is equal to 100 percent of the taxes paid.

Credits in excess of B&O tax paid may be carried forward to future reporting periods for a maximum of one year.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2006.