

FINAL BILL REPORT

SSB 6533

C 245 L 06

Synopsis as Enacted

Brief Description: Providing a business and occupation tax credit for syrup taxes paid by a business.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Zarelli, Schoesler, Benton and McCaslin).

Senate Committee on Ways & Means
House Committee on Finance

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 (VRDE).

Summary: A buyer of carbonated beverage syrup to be used by the buyer in making carbonated beverages that are sold by the buyer may claim a credit against business and occupation tax for carbonated beverage syrup taxes paid after July 1, 2006, in respect to the syrup. The credit is equal to 25 percent of the amount paid from July 1, 2006, through June 30, 2007, 50 percent from July 1, 2007, through June 30, 2008, 75 percent from July 1, 2008, through June 30, 2009, and 100 percent after June 30, 2009.

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

Votes on Final Passage:

Senate	43	5	
House	84	13	(House amended)
Senate	41	5	(Senate concurred)

Effective: July 1, 2006