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**Finance Committee**

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**SSB 6533**

**Brief Description:** Providing a tax credit for syrup sales.

**Sponsors:** Senators Prentice, Zarelli, Schoesler, Benton and McCaslin.

**Brief Summary of Bill**

- Allows retailers a business and occupation tax credit for 50 percent of the amount of carbonated beverage syrup tax paid.

**Hearing Date:**

**Staff:** Rick Peterson (786-7150).

**Background:**

The business and 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. Revenue from the B&O tax go into the General Fund.

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 of Bill:**

A buyer of carbonated beverage syrup may claim a credit against business and occupation tax for fifty percent of the amount of carbonated beverage syrup taxes paid after July 1, 2006.

**Appropriation:** None.

**Fiscal Note:** Available.

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