

## SENATE BILL No. 567

By Committee on Ways and Means

3-9

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9 AN ACT concerning taxation; imposing a tax upon sweetened beverages  
10 or concentrate, rates and procedures; inventory tax, method of  
11 payment.  
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13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. As used in this act:

15 (a) "Beverage container" means any closed or sealed glass, metal,  
16 paper, plastic or any other type of container regardless of the size or shape  
17 of the container.

18 (b) "Bottled soft drink" means a sweetened beverage contained in a  
19 beverage container.

20 (c) "Concentrate" means a sweetened beverage syrup, simple syrup,  
21 powder, or base product for mixing, compounding or making sweetened  
22 beverages.

23 (d) "Concentrate manufacturer" means any person that manufac-  
24 tures concentrate for sale to distributors, dealers, consumers or others in  
25 this state.

26 (e) "Milk" means natural liquid milk, regardless of animal source or  
27 butterfat content, natural milk concentrate, whether or not reconstituted,  
28 regardless of animal source or butterfat content, or dehydrated natural  
29 milk, whether or not reconstituted.

30 (f) "Natural fruit juice" means the original liquid resulting from the  
31 pressing of fruit, the liquid resulting from the reconstitution of natural  
32 fruit juice concentrate, or the liquid resulting from the restoration of  
33 water to dehydrated natural fruit juice.

34 (g) "Natural vegetable juice" means the original liquid resulting from  
35 the pressing of vegetables, the liquid resulting from the reconstitution of  
36 natural vegetable juice concentrate, or the liquid resulting from the res-  
37 toration of water to dehydrated natural vegetable juice.

38 (h) "Nonalcoholic beverage" means all beverages not subject to liq-  
39 uor taxes under the laws of the state of Kansas.

40 (i) "Powder" or "base product" means a mixture of ingredients in  
41 other than liquid form, used in making, mixing, or compounding sweet-  
42 ened beverages by mixing this product with water, ice, syrup, or simple  
43 syrup, fruits, vegetables, fruit juice, vegetable juice, or any other product

- 1 suitable to make a sweetened beverage. “Powder” or “base product” does  
2 not include any of the following:
- 3 (1) Any product sold in powder or other nonliquid mixture form that  
4 is solely used in preparing coffee or tea.
  - 5 (2) Any product sold in powder form for consumption by infants and  
6 which is commonly referred to as “infant formula.”
  - 7 (3) Any product sold in powder form for use for weight reduction.
  - 8 (4) Any product containing milk or milk products.
  - 9 (5) Any frozen concentrate or freeze-dried concentrate to which only  
10 water is added to produce a sweetened beverage containing more than  
11 10% natural fruit juice or more than 10% natural vegetable juice.
  - 12 (6) Any powder or other base product that is sold and used for the  
13 purpose of an individual consumer mixing a sweetened beverage.
  - 14 (j) “Sale” means the transfer of title or possession for consideration  
15 in any manner or by any means whatever.
  - 16 (k) “Simple syrup” means a mixture of sugar and water.
  - 17 (l) “Sweetened beverage” means any sweetened nonalcoholic bev-  
18 erage sold for human consumption including, but not limited to, the fol-  
19 lowing: Soda water, ginger ale, root beer, all beverages commonly re-  
20 ferred to as cola, lime, lemon, lemon-lime, and other flavored beverages,  
21 including any fruit or vegetable beverage containing 10% or less natural  
22 fruit juice or natural vegetable juice, and all other drinks and beverages  
23 commonly referred to as “soda,” “soda pop,” and “soft drinks.” “Sweet-  
24 ened beverage” does not include any of the following:
    - 25 (1) Any nonalcoholic beverage sweetened entirely with artificial  
26 sweeteners that do not add calories to the beverage.
    - 27 (2) Any product sold in liquid form for consumption by infants, which  
28 is commonly referred to as “infant formula.”
    - 29 (3) Any product sold in liquid form for use for weight reduction.
    - 30 (4) Water, to which no natural sweeteners have been added.
    - 31 (5) Any product containing milk or milk products.
  - 32 (m) “Sweetened beverage manufacturer” means any person who bot-  
33 tles, cans, or otherwise fills bottled sweetened beverages, or imports bot-  
34 tled sweetened beverages.
  - 35 (n) “Syrup” means the liquid mixture of ingredients used in making,  
36 or mixing, compounding sweetened beverages by mixing the syrup with  
37 water, simple syrup, ice, fruits, vegetables, fruit juice, vegetable juice or  
38 any other product suitable to make a sweetened beverage.
- 39 Sec. 2. A tax is hereby imposed upon every sweetened beverage  
40 manufacturer or concentrate manufacturer, or other person who makes  
41 the first sale in this state of a sweetened beverage or concentrate at a rate  
42 of \$0.01 per teaspoon of sugar placed into the sweetened beverage or  
43 equivalent amount of concentrate.

1     Sec. 3. The director of taxation shall cause such tax to be collected  
2 at the same time and in the same manner provided for the collection of  
3 the state retailers' sales tax. All taxes collected under the provisions of this  
4 act shall be remitted by the secretary of revenue to the state treasurer in  
5 accordance with the provisions of K.S.A. 75-4215, and amendments  
6 thereto. The director is hereby authorized to promulgate rules and reg-  
7 ulations necessary to carry out the provisions of this act.

8     Sec. 4. On July 1, 2010, a tax of \$0.01 per teaspoon of sugar placed  
9 into a sweetened beverage or equivalent amount of concentrate owned  
10 at 12:01 a.m. on July 1, 2010 is hereby imposed on the sweetened bev-  
11 erage manufacturer or concentrate manufacturer, or other person making  
12 first sale in this state of such sweetened beverage or concentrate to which  
13 the tax under section 2 has been imposed. On or before July 25, 2010,  
14 every such sweetened beverage manufacturer or concentrate manufac-  
15 turer, or other person making first sale in this state of such sweetened  
16 beverage or concentrate shall make a report to the director on a form  
17 prescribed and furnished by the director showing the amount of such  
18 sweetened beverage or equivalent amount of concentrate so owned at  
19 12:01 a.m. on July 2, 2010, and such report shall be accompanied by a  
20 remittance of the tax due. The director shall remit all moneys collected  
21 pursuant to this section to the state treasurer who shall credit the entire  
22 amount thereof to the state general fund.

23     Sec. 5. This act shall take effect and be in force from and after its  
24 publication in the statute book.