



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

NOVEMBER 17, 2010

## Carbonated Beverage Tax Repealed

### Background

Recent legislation imposed a temporary tax on persons who sell carbonated beverages. The rate is \$.02 per 12 ounces of carbonated beverages sold in this state. Second Engrossed Substitute Senate Bill (2ESSB) 6143 (chapter 23, Laws of 2010, 1st Special Session).

Beginning December 2, 2010, persons selling carbonated beverages are no longer subject to the carbonated beverage tax. This is because Initiative 1107 (I-1107), approved by the voters on November 2, 2010, repeals the tax.

### Carbonated Beverage Tax remains through December 1, 2010

Through December 1, 2010, sales of carbonated beverages are subject to the tax. Sellers must report the tax unless one of the following exemptions applies:

- The bottler's exemption
- The exemption for previously taxed beverages

For information about these exemptions, visit our website at [dor.wa.gov/carbonatedbeverages](http://dor.wa.gov/carbonatedbeverages).

### Sales tax on soft drinks remains

Retail sales of soft drinks remain subject to sales tax. Soft drinks are sweetened beverages, carbonated or not, that contain less than 50 percent fruit or vegetable juice. I-1107 does not change the application of sales tax on soft drink sales. For more information about sales tax and soft drinks, please refer to WAC 458-20-244.

### For more Information

To learn more about the carbonated beverage tax, visit our website at [dor.wa.gov/carbonatedbeverages](http://dor.wa.gov/carbonatedbeverages) or call our Telephone Information Center at 360-705-6705.