



General Assembly

January Session, 2017

***Raised Bill No. 7314***

LCO No. 5168



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

***AN ACT CONCERNING A TAX ON CERTAIN SWEETENED BEVERAGES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2017, and applicable to sales*  
2 *occurring on or after July 1, 2017*) (a) As used in this section:

3 (1) (A) "Caloric sweetener" means sugar or any form of sugar-based  
4 substance, including, but not limited to, sucrose, fructose, glucose,  
5 high-fructose corn syrup, honey or maple syrup, that adds calories to a  
6 beverage.

7 (B) "Caloric sweetener" does not include a sugar substitute, an  
8 artificial sweetener approved by the federal Food and Drug  
9 Administration or a nonnutritive sweetener, including, but not limited  
10 to, aspartame, saccharin, stevia or sucralose, that does not add calories  
11 to a beverage.

12 (2) "Milk" means fluid milk, regardless of animal or plant source or  
13 butterfat content, and includes natural milk concentrate, whether or

14 not reconstituted, and milk powder or evaporated milk, whether or  
15 not reconstituted;

16 (3) "Nonalcoholic beverage" means any beverage that contains less  
17 than one-half of one per cent of alcohol by volume;

18 (4) "Person" has the same meaning as provided in section 12-1 of the  
19 general statutes;

20 (5) "Retailer" has the same meaning as described in section 12-407 of  
21 the general statutes; and

22 (6) (A) "Sweetened beverage" means any prepackaged, carbonated  
23 or noncarbonated nonalcoholic beverage that (i) is intended for human  
24 consumption, (ii) is ready for consumption without further processing  
25 such as dilution or carbonation, and (iii) contains added caloric  
26 sweetener.

27 (B) "Sweetened beverage" does not include (i) milk or any beverage  
28 in which milk is the primary ingredient or is the first listed ingredient,  
29 regardless of sugar content, (ii) dairy or nondairy creamer, regardless  
30 of sugar content, (iii) any beverage that is one hundred per cent juice,  
31 (iv) infant formula, (v) medical food, as defined in 21 USC 360ee, as  
32 amended from time to time, (vi) any product in liquid form that is (I)  
33 designed as oral nutrition therapy for individuals who may have a  
34 limited ability to absorb or metabolize dietary nutrients from  
35 traditional food or beverages, or (II) an oral rehydration electrolyte  
36 solution to prevent or treat dehydration, (vii) any product sold in  
37 liquid form that is designed as supplemental, meal replacement or  
38 sole-source nutrition and includes proteins, carbohydrates and  
39 multiple vitamins and minerals, or (viii) any product sold in liquid  
40 form that is designed for use for weight reduction.

41 (b) There is imposed a tax on the purchase at retail of any sweetened  
42 beverage at the rate of one cent per ounce of such beverage. Such tax  
43 shall be in addition to any other tax applicable to such purchase and

44 shall be paid by the consumer to the retailer. Each retailer shall collect  
45 from the consumer the full amount of the tax imposed by this  
46 subsection.

47 (c) (1) Each retailer shall submit monthly to the Commissioner of  
48 Revenue Services, on or before the last day of the month next  
49 succeeding each monthly period, (A) the tax collected pursuant to  
50 subsection (b) of this section, and (B) a return for the preceding period  
51 in such form as the commissioner may prescribe. Such return shall be  
52 signed by the person required to file the return or by such person's  
53 authorized agent but need not be verified by oath, except that a return  
54 required to be filed by a corporation shall be signed by an officer of  
55 such corporation. Any moneys received by the commissioner pursuant  
56 to this subdivision shall be deposited into the account established  
57 pursuant to subsection (h) of this section.

58 (2) If any retailer fails to remit the tax collected pursuant to  
59 subsection (b) of this section within the time specified, the  
60 commissioner shall impose a civil penalty of fifteen per cent of the tax  
61 due or fifty dollars, whichever is greater, plus interest on the tax due at  
62 the rate of one per cent per month or fraction thereof, from the date  
63 such tax was due to the date of remittance.

64 (d) (1) If the commissioner deems it necessary to ensure payment or  
65 facilitate collection of the tax, the commissioner may permit or require  
66 a retailer to remit the tax or file returns on other than a monthly basis.

67 (2) The commissioner may extend, upon written request from a  
68 retailer and for good cause, the time for remitting any amount or filing  
69 a return under subsection (c) of this section, provided such request is  
70 (A) accompanied by a payment of estimated tax and a tentative return,  
71 and (B) submitted to the commissioner on or before the last day such  
72 return is required to be filed. Any retailer that receives an extension  
73 under this subdivision shall pay interest on the tax due at the rate of  
74 one per cent per month or fraction thereof from the date such tax was

75 due to the date of remittance.

76 (e) Subject to the provisions of section 12-3a of the general statutes,  
77 the commissioner may waive all or part of the penalties provided  
78 under this section when it is proven to the commissioner's satisfaction  
79 that the failure to remit the tax was due to reasonable cause and was  
80 not intentional or due to neglect.

81 (f) The provisions of sections 12-548 to 12-554, inclusive, of the  
82 general statutes and section 12-555a of the general statutes shall apply  
83 to the provisions of this section in the same manner and with the same  
84 force and effect as if the language of said sections had been  
85 incorporated in full into this section and had expressly referred to the  
86 tax imposed under this section, except to the extent that any such  
87 provision is inconsistent with a provision of this section.

88 (g) The commissioner may adopt regulations, in accordance with  
89 the provisions of chapter 54 of the general statutes, and make rulings,  
90 not inconsistent with law, to carry into effect the provisions of this  
91 section, which regulations or rulings, when reasonably designed to  
92 carry out the intent and purpose of this section, shall be prima facie  
93 evidence of its proper interpretation. The commissioner shall publish,  
94 at least annually and more often at the commissioner's discretion, all  
95 regulations adopted pursuant to this section and such rulings as  
96 appear to the commissioner to be of general interest.

97 (h) (1) There is established an account to be known as the  
98 "sweetened beverage tax account" which shall be a separate,  
99 nonlapsing account within the General Fund. The account shall  
100 contain any moneys required by law to be deposited in the account.  
101 Moneys in the account shall be expended by (A) the Commissioner of  
102 Early Childhood for the purposes of the Care 4 Kids program, (B) the  
103 Commissioner of Public Health for public education and outreach  
104 efforts regarding obesity, childhood obesity, heart disease and  
105 diabetes, and (C) on or after October 1, 2018, the Rudd Center for Food

106 Policy and Obesity at The University of Connecticut for the purposes  
107 of the evaluations set forth in subdivision (2) of this subsection.

108 (2) Beginning October 1, 2018, the Rudd Center for Food Policy and  
109 Obesity at The University of Connecticut shall evaluate, in conjunction  
110 with the Commissioners of Early Childhood, Public Health and  
111 Revenue Services, the impact of the tax imposed under subsection (b)  
112 of this section on rates of obesity, childhood obesity, heart disease and  
113 diabetes in the state. Not later than January 1, 2019, and annually  
114 thereafter, said center shall submit a report of its findings, in  
115 accordance with the provisions of section 11-4a of the general statutes,  
116 to the joint standing committees of the General Assembly having  
117 cognizance of matters relating to finance, revenue and bonding,  
118 children and public health.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2017, and applicable to sales occurring on or after July 1, 2017</i>	New section

**Statement of Purpose:**

To impose a tax of one cent per ounce on certain carbonated and noncarbonated nonalcoholic beverages that contain added caloric sweetener, and to use such moneys for certain education and outreach programs and evaluations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*