

# HOUSE BILL No. 5387

September 17, 2009, Introduced by Rep. Smith and referred to the Committee on Tax Policy.

A bill to levy an excise tax on the wholesale distribution of carbonated soft drinks; to provide for the levy, collection, and administration of the excise tax; to provide certain reporting requirements; and to provide for the distribution of the excise tax.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2       "carbonated soft drink excise tax act".

3       Sec. 2. As used in this act:

4       (a) "Carbonated soft drink distributor" means a person engaged  
5       in the business of wholesale distribution of carbonated soft drinks  
6       for retail sale.

7       (b) "Carbonated soft drink excise tax" means the excise tax  
8       imposed under section 3.

1 (c) "Department" means the department of treasury.

2 (d) "Person" means an individual, partnership, corporation,  
3 association, governmental entity, or other legal entity.

4 Sec. 3. (1) The carbonated soft drink excise tax is levied on  
5 each carbonated soft drink distributor engaged in the business of  
6 wholesale distribution of carbonated soft drinks for retail sale in  
7 this state.

8 (2) The carbonated soft drink excise tax is imposed at a rate  
9 of 1 cent per container.

10 Sec. 4. (1) Each carbonated soft drink distributor shall  
11 prepare and submit to the department a report on or before the  
12 twenty-fifth day of each month in the form and manner required by  
13 the department, showing the total number of carbonated soft drink  
14 containers distributed for retail sale during the preceding month  
15 and other information required by the department.

16 (2) The carbonated soft drink excise tax shall be paid each  
17 month to the department at the same time the report is submitted.

18 Sec. 5. Each carbonated soft drink distributor shall prepare,  
19 keep, and preserve a full and complete record of all carbonated  
20 soft drinks distributed for retail sale in this state, and that  
21 record shall be open at all times to the inspection of the state  
22 tax commission.

23 Sec. 6. (1) The carbonated soft drink excise tax imposed by  
24 this act shall be administered by the department of treasury, under  
25 1941 PA 122, MCL 205.1 to 205.31, and this act. In case of conflict  
26 between 1941 PA 122, MCL 205.1 to 205.31, and this act, the  
27 provisions of this act shall prevail.

1           (2) The department may promulgate rules to implement this act  
2 pursuant to the administrative procedures act of 1969, 1969 PA 306,  
3 MCL 24.201 to 24.328.

4           Sec. 7. All taxes, penalties, or costs paid to the department  
5 under this act shall be paid into the state treasury and shall be  
6 credited to the general fund of the state.