

By: Lucio

S.B. No. 1004

A BILL TO BE ENTITLED

AN ACT

relating to the imposition of a tax on certain beverages.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle E, Title 2, Tax Code, is amended by adding Chapter 163 to read as follows:

CHAPTER 163. TAX ON DISCRETIONARY DRINK ITEMS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 163.001. DEFINITION. In this chapter, "soft drink" means a carbonated or noncarbonated nonalcoholic beverage that contains natural or artificial sweeteners. The term does not include a beverage that:

(1) contains:

(A) milk or milk products;

(B) soy, rice, or similar milk substitutes; or

(C) more than 50 percent of vegetable or fruit juice by volume; or

(2) is intended by the manufacturer for consumption by an infant and is commonly referred to as "infant formula."

[Sections 163.002-163.050 reserved for expansion]

SUBCHAPTER B. IMPOSITION AND COLLECTION OF TAX

Sec. 163.051. TAX IMPOSED. (a) A tax is imposed on each sale at retail of a soft drink.

(b) The tax rate is one cent on each ounce or fractional ounce of soft drink sold.

1 (c) The tax imposed under this chapter is in addition to any
2 other tax imposed by state law.

3 Sec. 163.052. EXCEPTIONS TO APPLICATION OF TAX. The tax
4 imposed under this chapter does not apply to:

5 (1) a beverage sold in or by a restaurant, lunch
6 counter, cafeteria, hotel, or other business for consumption on the
7 premises of the business; or

8 (2) a beverage if the receipts from the sale of the
9 beverage are taxable under Chapter 183.

10 Sec. 163.053. RULES. The comptroller by rule shall
11 prescribe the manner in which the tax imposed under this chapter is
12 administered, imposed, and collected.

13 [Sections 163.054-163.100 reserved for expansion]

14 SUBCHAPTER C. ALLOCATION OF TAX

15 Sec. 163.101. ALLOCATION OF TAX. The revenue from the tax
16 imposed under this chapter shall be deposited to the credit of the
17 general revenue fund.

18 SECTION 2. This Act takes effect September 1, 2011.