

GENERAL ASSEMBLY OF NORTH CAROLINA
1995 SESSION

CHAPTER 474
HOUSE BILL 223

AN ACT TO REDUCE THE EXCISE TAX ON SOFT DRINKS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-113.45 reads as rewritten:

"§ 105-113.45. Excise taxes on soft drinks and base products.

(a) Bottled Soft Drinks. – An excise tax of ~~one cent (1¢)~~ three-fourths cent (3/4¢) is levied on each bottled soft drink.

(b) Repealed by Session Laws 1991, c. 689, s. 276.

(c) Liquid Base Products. – An excise tax at the rate of ~~one dollar (\$1.00) a gallon~~ seventy-five cents (75¢) is levied on each individual container of a liquid base product. The tax applies regardless whether the liquid base product is diverted to and used for a purpose other than making a soft drink.

(d) Dry Base Products. – An excise tax is levied on each individual container of a dry base product at the rate:

(1) Of ~~one cent (1¢)~~ three-fourths cent (3/4¢) an ounce if the dry base product is not converted into a syrup or other liquid base product before it is used to make a soft drink.

(2) That would apply under subsection (c) to the resulting liquid base product if the dry base product is converted into a liquid base product before it is used to make a soft drink.

(e) Repealed by Session Laws 1991, c. 689, s. 276."

Sec. 2. G.S. 105-113.52(a) reads as rewritten:

"(a) Tax Reduction. – The tax on the first 15,000 gross of bottled soft drinks sold at wholesale on or after October 1 of each year by a distributor or wholesale dealer who is liable for the tax and who files a timely report under G.S. 105-113.51 is ~~seventy-two cents (72¢) a gross rather than one-half~~ the amount stated in G.S. 105-113.45. The tax reduction does not apply to bottled soft drinks acquired by the distributor or wholesale dealer in a sale in which the distributor or wholesale dealer presented a soft drink certificate of liability, and it does not apply to sales made by a distributor or wholesale dealer who is not licensed as required by this Article. When reporting tax due on bottled soft drinks to which this reduced rate applies, a distributor or wholesale dealer shall pay the reduced amount."

Sec. 3. This act becomes effective July 1, 1996. The change made by Section 2 of this act to the tax reduction for certain sales of bottled soft drinks applies to sales made on or after July 1, 1996.

In the General Assembly read three times and ratified this the 25th day of July, 1995.

Dennis A. Wicker
President of the Senate

Harold J. Brubaker
Speaker of the House of Representatives