

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1108
Appropriations Committee Substitute Adopted 6/6/96

Short Title: Soft Drink Tax on Milk Drinks.

(Public)

Sponsors:

Referred to:

May 14, 1996

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT MILK PRODUCTS THAT ARE EXEMPT FROM THE
SOFT DRINK TAX ARE NOT REQUIRED TO REGISTER WITH THE
DEPARTMENT OF REVENUE FOR THE EXEMPTION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-113.46 reads as rewritten:

"§ 105-113.46. Exemptions.

The taxes imposed by this Article do not apply to an item that is listed in this section and, if the item is a bottled soft drink or a juice concentrate included in subdivision ~~(2)~~, ~~(3)~~, ~~(3)~~ or (3a), is registered with the Secretary in accordance with G.S. 105-113.47:

~~(1) A natural liquid milk drink produced by a farmer or a dairy.~~

(2) A bottled soft drink that contains at least thirty five percent (35%) natural milk measured by volume and is not exempt under subdivision ~~(1)~~ milk.

(3) Natural juice.

(3a) Juice that would be natural if it did not contain sugar.

(4) Natural water.

(5) A base product used to make a bottled soft drink subject to tax under this Article.

- 1 (6) Coffee or tea in any form.
2 (7) A bottled soft drink or base product sold outside the State.
3 (8) A bottled soft drink or base product sold to the federal government.
4 (9) A base product for domestic use that either contains milk or, according
5 to directions on the base product's container, requires milk to be added
6 to make a soft drink."

7 Sec. 2. G.S. 105-113.47(a) reads as rewritten:

8 "(a) Requirement. – To be exempt from the tax imposed by this Article, the
9 following items must be registered with the Secretary as an exempt item:

- 10 ~~(1) A bottled soft drink that contains at least thirty five percent (35%)~~
11 ~~natural milk measured by volume and is not exempt under G.S. 105-~~
12 ~~113.46(1).~~
13 (2) A natural juice bottled soft drink.
14 (3) A natural juice concentrate.
15 (4) A juice concentrate or juice bottled soft drink that would be natural if it
16 did not contain sugar."

17 Sec. 3. This act is effective retroactively as of October 1, 1991. A taxpayer
18 who paid an excise tax on a product that is exempt under this act may apply for a refund
19 of the tax by submitting an application for refund to the Department of Revenue by
20 January 1, 1997. A taxpayer who submits a timely application may receive a refund in an
21 amount equal to the amount of taxes paid on the item since October 1, 1991, along with
22 interest at the rate provided in G.S. 105-266 for refunds of overpaid taxes. If any
23 penalties have been assessed for failure to pay this tax, these penalties shall be waived
24 and, if the penalties have been paid, they shall be refunded to the taxpayer. The
25 application must be in the form and contain the information required by the Secretary of
26 Revenue.