

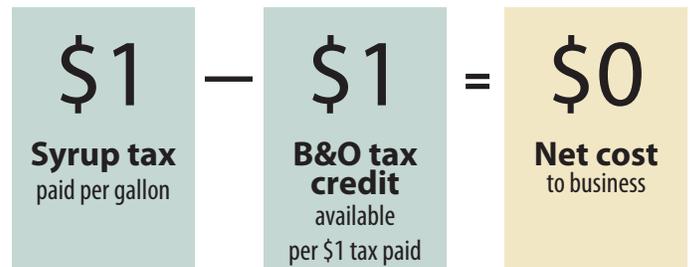
# Beverage Syrup Taxes Paid

JULY 2016

Inferred Objectives	Results
Provide tax relief to the restaurant industry by offsetting syrup taxes paid	Mixed: Some but not all get tax relief
Fund the Violence Reduction and Drug Enforcement (VRDE) Account	No longer necessary: Account eliminated in 2009

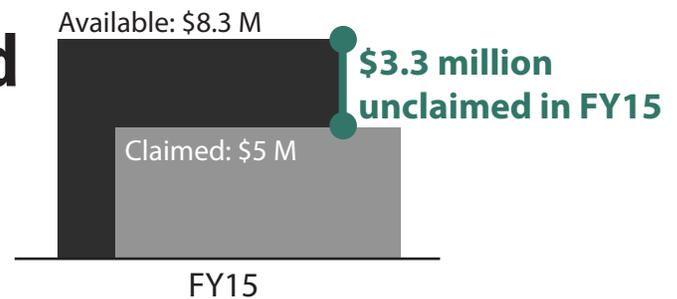
## B&O tax credit available to offset syrup taxes paid

Eligible businesses: Full-service and fast food restaurants, convenience stores, and others that buy syrup to make carbonated drinks to sell



## 40% of credit is unclaimed each year

Many restaurants and other businesses do not claim credit to get tax relief.

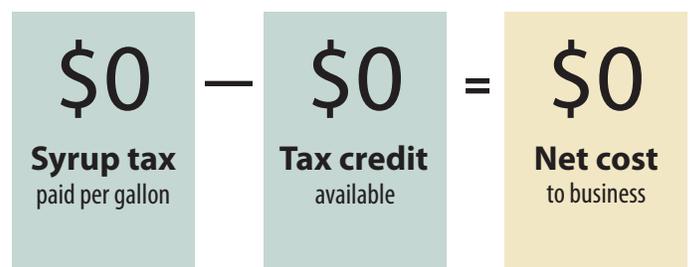


## VRDE account eliminated in 2009

Syrup tax revenues are no longer dedicated to funding violence reduction and drug enforcement, and are now deposited in the state General Fund.

## Eliminating the syrup tax would achieve the tax relief objective

This would make the B&O tax credit against syrup tax paid unnecessary.



**RECOMMENDATION: The Legislature should repeal the syrup tax and the associated B&O tax credit.**

The preference is not providing all of the intended tax relief for businesses that buy syrup and the Legislature made policy decisions to eliminate the VRDE account in 2009.

**For more information, contact:**

Keenan Konopaski, Washington State Legislative Auditor • (360) 786-5187 • keenan.konopaski@leg.wa.gov

The complete report is at [citizentaxpref.wa.gov](http://citizentaxpref.wa.gov).