

2007 SENATE BILL 117

March 28, 2007 – Introduced by Senator MILLER, cosponsored by Representatives BIES, ZEPNICK, ALBERS, BENEDICT, BERCEAU, BLACK, GRIGSBY, HEBL, MOLEPSKE, A. OTT, POCAN, SHERIDAN, SHERMAN, SOLETSKI, TOWNSEND, TURNER, A. WILLIAMS and YOUNG. Referred to Committee on Health and Human Services.

1 **AN ACT** *to amend* 20.435 (4) (o) and chapter 77 (title); and *to create* 20.435 (4)
2 (xm), 20.435 (4) (xn), 25.17 (1) (cm), 25.771, 49.45 (3) (n), subchapter XIV of
3 chapter 77 [precedes 77.9981] and 250.17 of the statutes; **relating to:** imposing
4 a tax on the sale of soft drinks, creating a dental access trust fund, creating
5 grants for dental public health and dental education projects, and making
6 appropriations.

Analysis by the Legislative Reference Bureau

This bill imposes an excise tax on the sale at wholesale of soft drinks sold in this state and creates the dental access trust fund. The tax is equal to: 1) \$2 for each gallon of soft drink syrup sold in this state in the taxable year; 2) 21 cents for each gallon of bottled soft drinks sold in this state in the taxable year; and 3) on the sale of a package or container of soft drink syrups, simple syrups, powders, or other base products, 21 cents for each gallon of soft drink that may be produced from each package or container according to the manufacturer's instructions. The revenue generated from the tax is deposited into the dental access trust fund.

Under the bill, moneys deposited into the dental access trust fund are appropriated, beginning January 1, 2009, to supplement reimbursement for dentists' services provided to recipients under the Medical Assistance Program and to fund grants from the Department of Health and Family Services for dental public health and dental education projects.

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1 20.435 (4) (xn) *Dental access trust fund; dental public health and education*
2 *projects.* From the dental access trust fund, all moneys received, less the moneys
3 appropriated under par. (xm), for dental public health and education projects under
4 s. 250.17.

5 **SECTION 5.** 25.17 (1) (cm) of the statutes is created to read:

6 25.17 (1) (cm) Dental access trust fund (s. 25.771);

7 **SECTION 6.** 25.771 of the statutes is created to read:

8 **25.771 Dental access trust fund.** There is created a separate nonlapsible
9 trust fund, designated as the dental access trust fund, consisting of all of the
10 following:

11 **(1)** All moneys collected under subch. XIV of ch. 77 from the soft drink tax
12 imposed under s. 77.9982.

13 **(2)** All federal money received, including moneys that the department of health
14 and family services may transfer from the appropriation under s. 20.435 (4) (o), that
15 are related to supplementary payments under s. 49.45 (3) (n) for dentists' services
16 provided as specified in ss. 49.46 (2) (b) 1. and 49.47 (6).

17 **SECTION 7.** 49.45 (3) (n) of the statutes is created to read:

18 49.45 (3) (n) From the appropriation under s. 20.435 (4) (xm), the department
19 shall supplement the rate of reimbursement for dental services otherwise paid under
20 this subsection by an amount that increases the rate so as to equal the 75th
21 percentile of the fees specified in the most recent American Dental Association fee
22 schedule for the east north central region, as determined by the department.

23 **SECTION 8.** Chapter 77 (title) of the statutes is amended to read:

24

CHAPTER 77

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1 **TAXATION OF FOREST CROPLANDS;**
2 **REAL ESTATE TRANSFER FEES;**
3 **SALES AND USE TAXES; COUNTY**
4 **AND SPECIAL DISTRICT SALES AND**
5 **USE TAXES; MANAGED FOREST LAND;**
6 **RECYCLING SURCHARGE;**
7 **LOCAL FOOD AND BEVERAGE TAX;**
8 **LOCAL RENTAL CAR TAX; PREMIER**
9 **RESORT AREA TAXES; STATE RENTAL**
10 **VEHICLE FEE; DRY CLEANING FEES;**
11 **REGIONAL TRANSIT AUTHORITY FEE;**
12 **SOFT DRINK TAX**

13 **SECTION 9.** Subchapter XIV of chapter 77 [precedes 77.9981] of the statutes is
14 created to read:

CHAPTER 77

SUBCHAPTER XIV

SOFT DRINK TAX

18 **77.9981 Definitions.** In this subchapter:

19 **(1)** “Bottled soft drink” means any complete and ready-to-consume soft drink
20 sold in a container.

21 **(2)** “Partnership” has the meaning given in s. 77.92 (4m).

22 **(3)** “Soft drink” means a flavored nonalcoholic beverage that contains sugar,
23 corn fructose, aspartame, or some other sweetener as an ingredient and includes all
24 of the following:

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1 (a) Ginger ale, cola, or any other drink that is commonly referred to as a soft
2 drink.

3 (b) Any fruit or vegetable drink that contains no more than 10 percent natural
4 fruit or vegetable juice.

5 (c) Any package or container of powder, syrup, or other base product that, when
6 mixed with a liquid, produces a soft drink that may be dispensed from a machine.

7 **(4)** “Taxable year” has the meaning given in s. 71.22 (10).

8 **(5)** “Wholesaler” means a person who receives, stores, manufactures, bottles,
9 or sells any of the following for resale to retailers, distributors, or other wholesalers
10 or manufacturers:

11 (a) Bottled soft drinks.

12 (b) Soft drink syrups, simple syrups, powders, or other base products, if any
13 such items are used for making soft drinks.

14 **77.9982 Imposition.** For taxable years beginning on or after January 1, 2008,
15 an excise tax is imposed on every wholesaler doing business in this state in the
16 following amounts:

17 **(1)** Two dollars for each gallon of soft drink syrup sold in this state in the
18 taxable year.

19 **(2)** Twenty-one cents for each gallon of bottled soft drinks sold in this state in
20 the taxable year.

21 **(3)** On the sale of a package or container of soft drink syrups, simple syrups,
22 powders, or other base products, 21 cents for each gallon of soft drink that may be
23 produced from each package or container according to the manufacturer’s
24 instructions.

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1 **77.9983 Interest and penalties.** The interest and penalty provisions under
2 ss. 71.82 (1) (a) and (b) and (2) (a) and (b), 71.83 (1) (a) 1., 2., and 7. and (b) 1., (2) (a)
3 1. to 3. and (b) 1. to 3., and (3), and 71.85, as they apply to the taxes under ch. 71, apply
4 to the tax imposed under this subchapter.

5 **77.9984 Applicability. (1)** With regards to a tax–option corporation, the tax
6 imposed under this subchapter is imposed on the tax–option corporation, not its
7 shareholders, except that, if the tax due from the tax–option corporation is
8 delinquent, the shareholders are jointly and severally liable for the delinquent tax.

9 **(2)** With regards to a partnership, the tax imposed under this subchapter is
10 imposed on the partnership, not its partners, except that, if the tax due from the
11 partnership is delinquent, the partners are jointly and severally liable for the
12 delinquent tax.

13 **77.9985 Single–owner entities.** A single–owner entity that is disregarded
14 as a separate entity under ch. 71 is disregarded as a separate entity under this
15 subchapter. The owner of that entity shall include the information from the entity
16 on the owner’s return under this subchapter.

17 **77.9986 Administration. (1)** The revenue from the tax collected under this
18 subchapter, including interest and penalties, shall be deposited into the dental
19 access trust fund.

20 **(2)** The tax imposed under this subchapter is due on the date on which the
21 person’s return under ch. 71 is due without regard to any extension.

22 **(3)** The department of revenue shall levy, enforce, and collect the tax imposed
23 under this subchapter.

24 **(4)** Sections 71.74 (1) to (3), (6), (7), and (9) to (15), 71.75 (1), (2), (4), (5), and
25 (6) to (10), 71.76, 71.77, 71.78 (1) to (8), 71.80 (1) (a) to (d), (3), (3m), (6), (8) to (12),

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1 (14), and (18), 71.87, 71.88, 71.89, 71.90, 71.91, and 71.93, as they apply to the taxes
2 under ch. 71, apply to the tax imposed under this subchapter.

3 (5) Each person subject to the tax imposed under this subchapter shall, on or
4 before the due date, including extensions, for filing under ch. 71, file an accurate
5 statement of the person's gross tax liability or net business income. Payments made
6 after the due date under sub. (2) and on or before the due date under this subsection
7 are not delinquent but are subject to interest at the rate of 12 percent per year.

8 (6) Persons who owe amounts under this subchapter shall mail or deliver those
9 amounts to the department of revenue or, if the department prescribes another
10 method of submitting or another destination, those persons shall use that other
11 method or submit those amounts to that other destination.

12 **SECTION 10.** 250.17 of the statutes is created to read:

13 **250.17 Grants for dental public health and dental education projects.**

14 From the appropriation under s. 20.435 (4) (xn), the department shall, upon
15 application from qualified entities, award moneys in each fiscal year for all of the
16 following:

17 (1) Dental public health projects.

18 (2) Dental education projects, including projects affiliated with the Marquette
19 University School of Dentistry.

20 **SECTION 11. Effective dates.** This act takes effect on the day after publication,
21 except as follows:

22 (1) The treatment of sections 20.435 (4) (o), (xm), and (xn), 49.45 (3) (n), and
23 250.17 of the statutes takes effect on January 1, 2009.

24

(END)