



Business owners won't like the answers to **Question 2H.**
Read it for yourself.

Section 3. The official ballot shall contain the following ballot title, which shall also be the designation and submission clause for the issue:

ISSUE NO. ____
SUGAR SWEETENED BEVERAGE PRODUCT DISTRIBUTION TAX
SHALL CITY OF BOULDER TAXES BE INCREASED \$3.8 MILLION (FIRST FULL FISCAL YEAR INCREASE) ANNUALLY BY IMPOSING AN EXCISE TAX OF 2 CENTS PER OUNCE ON THE FIRST DISTRIBUTOR IN ANY CHAIN OF DISTRIBUTION OF DRINKS WITH ADDED SUGAR, AND SWEETENERS USED TO PRODUCE SUCH DRINKS.

SHALL THE FULL PROCEEDS OF SUCH TAXES AT SUCH RATES AND ANY EARNINGS THEREON BE COLLECTED, RETAINED, AND SPENT, AS A VOTER-APPROVED REVENUE CHANGE WITHOUT LIMITATION OR CONDITION, AND WITHOUT LIMITING THE COLLECTION, RETENTION, OR SPENDING OF ANY OTHER REVENUES OR FUNDS BY THE CITY OF BOULDER UNDER ARTICLE X SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

FOR THE ISSUE ____ AGAINST THE ISSUE ____

Section 4. If this ballot issue is approved by the voters, the City Council further amends the Boulder Revised Code, effective on July 1, 2017, to add a new Chapter 3-16 as follows:

Chapter 16 Sugar Sweetened Beverage Product Distribution Tax

Section 3-16-1 Findings and Purpose

- An excise tax on the distribution of sugar-sweetened beverages is intended to protect the health, safety, and well-being of all in the City of Boulder.
- Whereas consuming one sugar-sweetened beverage a day increases the risk for childhood obesity by 55%.
- Whereas consuming one sugar-sweetened beverage a day increases the risk of developing type two diabetes by 25%.
- Whereas consuming one sugar-sweetened beverage a day increases the likelihood of death from cardiovascular disease by 30%.

Section 3-16-2 Imposition and Rate of Tax

- Excise tax. There is levied and shall be paid and collected an excise tax of two cents (\$0.02) per fluid ounce of sugar-sweetened beverage products that are distributed in the city.
- For purposes of calculating the tax imposed under this chapter, the volume, in fluid ounces, of a sugar-sweetened beverage product shall be:
 - For a bottled sugar-sweetened beverage the tax shall be calculated on the volume, in fluid ounces, of sugar-sweetened beverages distributed to any person in the course of business in the city.
 - For a sugar-sweetened beverage made from syrups and powders the tax shall be calculated on the largest volume of fluid ounces of sugar-sweetened beverages that

of caloric sweetener per 12 fluid ounces.

- "Sugar-Sweetened Beverage" includes all drinks and beverages commonly referred to as "soda," "pop," "cola," "soft drinks," "sports drinks," "energy drinks," "sweetened iced teas," "sweetened coffees," or any other common names that are derivations thereof.
- "Sugar-Sweetened Beverage" does not include any of the following:

"Syrup" means any liquid mixture, containing one or more caloric sweeteners as an ingredient, intended to be used in making, mixing, or compounding a sugar-sweetened beverage by combining the syrup with one or more other ingredients.

Section 3-16-5 Exemptions

The tax imposed by this chapter shall not apply:

- To any distribution of syrups and powders sold directly to a consumer and intended for personal use by a consumer that are not already pre-mixed into a sugar-sweetened beverage product such as granulated sugar, honey, agave and similar products.
- To any milk product.
- To infant formula.
- To any alcoholic beverage.
- To any beverage for medical use.

Section 3-16-6 Duties, Responsibilities and Authority of the City Manager

- The city manager is authorized to collect and receive all taxes imposed by this chapter, and to keep an accurate record thereof.
- The city manager shall develop a registration system whereby distributors of sugar-sweetened beverages must register with the city prior to distributing any sugar-sweetened beverages.
- The city manager shall annually verify that the taxes owed under this chapter have been properly applied, exempted, collected, and remitted.
- The city manager is authorized to enforce this chapter and may prescribe, adopt, and enforce rules and regulations relating to the administration and enforcement of this chapter, including provisions for the reexamination and correction of returns and payments, and for reporting. Such rules and regulations shall include, but are not limited to, the following:
 - The determination of the frequency with which a distributor must calculate the tax. This determination shall not constitute an increase of the tax.
 - The determination of the frequency with which a distributor must pay the tax. This determination shall not constitute an increase of the tax.
 - The determination of the manner in which a distributor must register with the city.
 - The determination of whether and how a distributor who receives, in the city, sugar-sweetened beverage products from another distributor must report to the city the name of that distributor.

Section 3-1

- The amount of any tax, penalty, and interest imposed under the provisions of this chapter shall be deemed a debt to the city. Any distributor owing money under the provisions of this chapter shall be liable in an action brought in the name of the city for the recovery of such amount.
- In order to aid in the city's collection of taxes due under this chapter, any retailer of sugar-sweetened beverage products that receives sugar-sweetened beverage products from a distributor, in accordance with rules and regulations promulgated by the city manager pursuant to section 3-16-6, shall provide to the city evidence that the distributor from whom the sugar-sweetened beverage products were received has registered as a distributor with the city and that registration is current.

Section 3-16-8 Refunds

Whenever any tax under this chapter has been paid more than once or has been erroneously or illegally collected or received by the city, it may be refunded only as provided in Chapter 3-2-23 of the Boulder Municipal Code.

Section 3-16-9 Enforcement

Except as otherwise provided by this chapter or by rule or regulation promulgated by the city manager, the tax imposed by this Chapter shall be administered in the same manner as taxes imposed pursuant to Chapter 3-2-2 and, without limitation, shall be subject to the same delinquency penalties, appeals processes and other enforcement provisions set forth in chapter 3-2-22.

Section 3-16-10 Not a Sales and Use Tax

The tax imposed by this Chapter is a tax upon the privilege of conducting business, specifically, distributing sugar-sweetened beverage products within the City of Boulder. It is not a sales, use, or other excise tax on the sale, consumption or use of sugar-sweetened beverage products. The tax imposed herein shall be in addition to any license fee or tax imposed or levied under any other law, statute or ordinance where imposed or levied by the city, state, or other governmental entity or political subdivision.

Section 3-16-11 Dedicated Revenues

The revenues from this excise tax shall be designated for the administrative cost of the tax, and once that obligation has been fulfilled, used for health promotion, general wellness programs and

Read Question 2H for yourself and see how it would have a negative impact on businesses in Boulder.

Do the math yourself. This is a huge tax increase:

8 oz = 16 cent tax

16 oz = 32 cent tax

Bag-In-Box = \$76.80 tax

Question 2H will directly impact you.

Distributed in the city means if you go to big-box discount stores just down the road in Louisville to buy beverages and bring them in you are considered the "distributor."

This is not a "soda tax."

Hundreds of beverages like iced teas, sweetened coffees and "other common names" will be taxed.

New regulations in Question 2H

Question 2H is full of new regulations on businesses in Boulder. There will be at least six new "Rules and Regulations."

Enforcement provisions in 2H

There are "delinquency penalties."



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Stop the Beverage & Grocery Tax



Join us and **Vote NO on 2H** – Stop the Beverage and Grocery Tax

Paid for by No on 2H: Stop the Beverage and Grocery Tax, 1200 Pearl Street, Ste 60, Boulder, CO 80302