

Office of the Treasurer & Tax Collector

Sugary Drinks Tax Implementation

Sugary Drinks Distributor Tax Advisory
Committee Meeting
June 19, 2018

Sugary Drinks Tax: Legislation

- The Sugary Drinks Distributor Tax Ordinance was adopted by S.F. voters in November 2016
- The tax is levied on the initial distribution of a bottled sugar-sweetened beverage, syrup, or powder into the City and County of San Francisco
- Creation of a Sugary Drinks Distributor Tax Advisory Committee
- The collection of the tax went into effect January 1, 2018

Sugary Drinks Tax: Legislation

- The tax is paid on the initial distribution – by those who bring the beverages to retailers in the City. This includes retailers who obtain and bring the beverages into the City themselves (“self-distributors”).
- “Distribution” does not include retail sale to a consumer.
- The tax amount is 1 cent per fluid ounce of a bottle sugar-sweetened beverage and 1 cent per fluid ounce of a sugar-sweetened beverage that could be produced from the syrup or powder upon the initial distribution of the syrup or powder.

Sugary Drinks Tax: Filing and Payment

- Taxpayers pay on a quarterly basis:

Quarter	Filing period	Due Date
First Quarter	January 1 - March 31	April 30
Second Quarter	April 1 - June 30	July 31
Third Quarter	July 1 - September 30	October 31
Fourth Quarter	October 1 - December 31	January 31

- Like most of the Office of the Treasurer & Tax Collector's tax filings, businesses can easily file and pay online
- Businesses receive quarterly reminders to file and pay

Sugary Drinks Tax: Outreach

- Since the legislation was passed, the Office of the Treasurer & Tax Collector has worked to identify Sugary Drinks distributors
 - Businesses that were already registered with our office were asked to complete a Sugary Drinks Declaration form
 - Businesses that were not yet registered were notified to register their business online and select the Sugary Drinks Tax

Sugary Drinks Tax: Outreach

- The Office of the Treasurer & Tax Collector carried out a number of mailings during 2017 to make businesses aware of the tax:
 - Letters to potential distributors
 - Letters to retailers to identify their distributors
 - Letters to distributors identified by retailers
- We sent out a “Get Ready” letter translated into 8 languages to a wide audience of retailers in early 2018

Sugary Drinks Tax: Outreach

- We also did outreach with the Office of Economic and Workforce Development:
 - Email blasts went out to over 60 San Francisco merchants associations in early March
- We've answered all inquiries that have come in through 311

Sugary Drinks Tax Collections

- As of April 30, 2018 Sugary Drinks Tax collections are \$2,949,608

Sugary Drinks Tax Resources

- Article 8 of the Business & Tax Regulations Code
- Website: <http://sftreasurer.org/sugary-drinks-tax>
- FAQs - on website