

# HOUSE BILL 1469

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By: **Delegates Shetty and Pena–Melnyk**

Introduced and read first time: February 7, 2025

Assigned to: Ways and Means and Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Taxes – Sugary Beverage Distributor Tax**  
3 **(For Our Kids Act)**

4 FOR the purpose of imposing a tax on certain distributors of certain sugary beverages,  
5 syrups, and powders for the privilege of selling those products to certain retailers or  
6 offering those products for sale to consumers in the State; and generally relating to  
7 the taxation of sugary beverages.

8 BY repealing and reenacting, without amendments,  
9 Article – Education  
10 Section 7–602(a) and 7–704(b) and (c)  
11 Annotated Code of Maryland  
12 (2022 Replacement Volume and 2024 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Education  
15 Section 7–602(b)  
16 Annotated Code of Maryland  
17 (2022 Replacement Volume and 2024 Supplement)

18 BY adding to  
19 Article – Education  
20 Section 7–606  
21 Annotated Code of Maryland  
22 (2022 Replacement Volume and 2024 Supplement)

23 BY repealing and reenacting, without amendments,  
24 Article – Tax – General  
25 Section 1–101(a) and 13–508(b)  
26 Annotated Code of Maryland  
27 (2022 Replacement Volume and 2024 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to  
2 Article – Tax – General  
3 Section 1–101(v) and 2–102(a)(11); 2–14A–01 and 2–14A–02 to be under the new  
4 subtitle “Subtitle 14A. Sugary Beverage Distributor Tax Revenue  
5 Distribution”; 11.5–101 through 11.5–601 to be under the new title “Title 11.5.  
6 Sugary Beverage Distributor Tax”; and 13–201(4)(xvi), 13–825(j), and  
7 13–1001(h)  
8 Annotated Code of Maryland  
9 (2022 Replacement Volume and 2024 Supplement)

10 BY repealing and reenacting, with amendments,  
11 Article – Tax – General  
12 Section 2–102(a)(9) and (10), 13–201(4)(xvi) through (xviii), 13–508(a) and (c),  
13 13–509, 13–1002(b) and (c), and 13–1101(b) and (c)  
14 Annotated Code of Maryland  
15 (2022 Replacement Volume and 2024 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
17 That the Laws of Maryland read as follows:

18 **Article – Education**

19 7–602.

20 (a) There is a State Free Feeding Program.

21 (b) (1) Each year the State Superintendent shall determine the amount of  
22 State money required to provide the Program in accordance with the standards adopted by  
23 the State Board under this subtitle.

24 (2) The amount included for this Program in the annual State budget,  
25 including any federal funds **AND FUNDS FROM THE HEALTHY SCHOOL MEALS FOR ALL**  
26 **FUND UNDER § 7–606 OF THIS SUBTITLE**, and as submitted to and appropriated by the  
27 General Assembly, shall be distributed to the county boards and participating nonpublic  
28 schools in the same manner as the process established under § 5–205 of this article.

29 **7–606.**

30 (A) **IN THIS SECTION, “FUND” MEANS THE HEALTHY SCHOOL MEALS FOR**  
31 **ALL FUND.**

32 (B) **THERE IS A HEALTHY SCHOOL MEALS FOR ALL FUND.**

33 (C) **THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR:**

1           **(1) THE STATE FREE FEEDING PROGRAM UNDER § 7-602 OF THIS**  
2 **SUBTITLE; AND**

3           **(2) THE MARYLAND MEALS FOR ACHIEVEMENT IN-CLASSROOM**  
4 **BREAKFAST PROGRAM UNDER § 7-704 OF THIS TITLE.**

5           **(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

6           **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
7 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

8           **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
9 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

10          **(F) THE FUND CONSISTS OF:**

11           **(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 2-14A-02 OF THE**  
12 **TAX – GENERAL ARTICLE;**

13           **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**  
14 **AND**

15           **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
16 **THE BENEFIT OF THE FUND.**

17          **(G) THE FUND MAY BE USED ONLY FOR PROVIDING MEALS THROUGH THE**  
18 **STATE FREE FEEDING PROGRAM AND THE MARYLAND MEALS FOR ACHIEVEMENT**  
19 **IN-CLASSROOM BREAKFAST PROGRAM.**

20          **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
21 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

22           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
23 **THE GENERAL FUND OF THE STATE.**

24          **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
25 **WITH THE STATE BUDGET.**

26          **(J) MONEY EXPENDED FROM THE FUND FOR THE STATE FREE FEEDING**  
27 **PROGRAM AND THE MARYLAND MEALS FOR ACHIEVEMENT IN-CLASSROOM**  
28 **BREAKFAST PROGRAM IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE**  
29 **PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE**  
30 **PROGRAMS.**

1 7-704.

2 (b) (1) There is a school breakfast program in the State, known as the  
3 Maryland Meals for Achievement In-Classroom Breakfast Program.

4 (2) The Program is a joint effort of the Department and the county boards  
5 or sponsoring agencies for eligible nonpublic schools.

6 (c) (1) The purpose of the Program is to provide funding for a school that  
7 makes an in-classroom breakfast available to all students in the school.

8 (2) The funding is intended to complement the funding received by a school  
9 from the federal government for a school breakfast program.

#### 10 Article - Tax - General

11 1-101.

12 (a) In this article the following words have the meanings indicated.

13 (V) **“SUGARY BEVERAGE DISTRIBUTOR TAX” MEANS THE TAX IMPOSED**  
14 **UNDER TITLE 11.5 OF THIS ARTICLE.**

15 2-102.

16 (a) In addition to the duties set forth elsewhere in this article and in other articles  
17 of the Code, the Comptroller shall administer the laws that relate to:

18 (9) the sales and use tax; [and]

19 (10) the savings and loan association franchise tax; **AND**

20 **(11) THE SUGARY BEVERAGE DISTRIBUTOR TAX.**

21 **SUBTITLE 14A. SUGARY BEVERAGE DISTRIBUTOR TAX REVENUE DISTRIBUTION.**

22 **2-14A-01.**

23 **FROM THE SUGARY BEVERAGE DISTRIBUTOR TAX REVENUE, THE**  
24 **COMPTROLLER SHALL DISTRIBUTE THE AMOUNT NECESSARY TO ADMINISTER THE**  
25 **SUGARY BEVERAGE DISTRIBUTOR TAX LAWS TO AN ADMINISTRATIVE COST**  
26 **ACCOUNT.**

27 **2-14A-02.**

1 AFTER MAKING THE DISTRIBUTION UNDER § 2-14A-01 OF THIS SUBTITLE,  
2 EACH FISCAL YEAR THE COMPTROLLER SHALL DISTRIBUTE THE REMAINING  
3 SUGARY BEVERAGE DISTRIBUTOR TAX REVENUE AS FOLLOWS:

4 (1) THE FIRST \$189,000,000 TO THE HEALTHY SCHOOL MEALS FOR  
5 ALL FUND ESTABLISHED UNDER § 7-606 OF THE EDUCATION ARTICLE;

6 (2) THE NEXT \$50,000,000 TO THE CHILD CARE SCHOLARSHIP  
7 PROGRAM ESTABLISHED UNDER § 9.5-113 OF THE EDUCATION ARTICLE WITHIN  
8 THE STATE DEPARTMENT OF EDUCATION; AND

9 (3) THE REMAINDER TO THE GENERAL FUND OF THE STATE.

10 TITLE 11.5. SUGARY BEVERAGE DISTRIBUTOR TAX.

11 SUBTITLE 1. DEFINITIONS.

12 11.5-101.

13 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
14 INDICATED.

15 (B) (1) "BEVERAGE FOR MEDICAL USE" MEANS A BEVERAGE SUITABLE  
16 FOR HUMAN CONSUMPTION AND MANUFACTURED FOR USE AS:

17 (I) AN ORAL THERAPY FOR PERSONS WHO CANNOT ABSORB OR  
18 METABOLIZE DIETARY NUTRIENTS FROM FOOD OR BEVERAGES; OR

19 (II) AN ORAL REHYDRATION ELECTROLYTE SOLUTION FOR  
20 INFANTS AND CHILDREN FORMULATED TO PREVENT OR TREAT DEHYDRATION DUE  
21 TO ILLNESS.

22 (2) "BEVERAGE FOR MEDICAL USE" INCLUDES A MEDICAL FOOD, AS  
23 DEFINED IN 21 U.S.C. § 360EE(B)(3).

24 (3) "BEVERAGE FOR MEDICAL USE" DOES NOT INCLUDE A SPORT  
25 DRINK.

26 (C) "CONSUMER" MEANS A PERSON WHO PURCHASES A SUGARY BEVERAGE  
27 FOR CONSUMPTION AND NOT FOR SALE TO ANOTHER PERSON.

1 (D) "DISTRIBUTOR" MEANS A PERSON, INCLUDING A MANUFACTURER OR  
2 WHOLESALE DEALER, WHO RECEIVES, STORES, MANUFACTURES, PACKAGES, OR  
3 DISTRIBUTES PACKAGED SUGARY BEVERAGES, SYRUPS, OR POWDERS FOR SALE TO  
4 RETAILERS DOING BUSINESS IN THE STATE, WHETHER OR NOT THE PERSON ALSO  
5 SELLS THOSE PRODUCTS TO CONSUMERS.

6 (E) "MILK" MEANS:

7 (1) NATURAL LIQUID MILK, REGARDLESS OF ANIMAL OR PLANT  
8 SOURCE OR BUTTERFAT CONTENT;

9 (2) NATURAL MILK CONCENTRATE, WHETHER OR NOT  
10 RECONSTITUTED; OR

11 (3) DEHYDRATED NATURAL MILK, WHETHER OR NOT  
12 RECONSTITUTED.

13 (F) "NATURAL FRUIT JUICE" MEANS THE ORIGINAL LIQUID RESULTING  
14 FROM THE PRESSING OF FRUITS OR THE LIQUID RESULTING FROM THE DILUTION  
15 WITH WATER OF DEHYDRATED FRUIT JUICE.

16 (G) "NATURAL VEGETABLE JUICE" MEANS THE ORIGINAL LIQUID  
17 RESULTING FROM THE PRESSING OF VEGETABLES OR THE LIQUID RESULTING FROM  
18 THE DILUTION WITH WATER OF DEHYDRATED VEGETABLE JUICE.

19 (H) (1) "NONNUTRITIVE SWEETENER" MEANS A NONNUTRITIVE  
20 SUBSTANCE SUITABLE FOR CONSUMPTION THAT HUMANS PERCEIVE AS SWEET AND  
21 CONTAINS FEWER THAN FIVE CALORIES PER SERVING.

22 (2) "NONNUTRITIVE SWEETENER" INCLUDES ASPARTAME,  
23 ACESULFAME-K, NEOTAME, SACCHARIN, SUCRALOSE, STEVIA, AND OTHER  
24 ARTIFICIAL SWEETENERS.

25 (3) "NONNUTRITIVE SWEETENER" DOES NOT INCLUDE SUGAR.

26 (I) "PLACE OF BUSINESS" MEANS A PLACE OF BUSINESS WHERE SUGARY  
27 BEVERAGES, SYRUPS, OR POWDERS ARE MANUFACTURED OR RECEIVED FOR SALE  
28 IN THE STATE.

29 (J) "POWDER" MEANS ANY SOLID MIXTURE OF INGREDIENTS USED IN  
30 MAKING, MIXING, OR COMPOUNDING SUGARY BEVERAGES BY MIXING THAT MIXTURE  
31 WITH ONE OR MORE OTHER INGREDIENTS, INCLUDING ICE, SYRUP, SIMPLE SYRUP,

1 FRUITS, VEGETABLES, FRUIT JUICE, VEGETABLE JUICE, AND CARBONATION OR  
2 OTHER GAS.

3 (K) "RETAILER" MEANS A PERSON WHO SELLS OR OTHERWISE DISPENSES  
4 SUGARY BEVERAGES TO CONSUMERS, WHETHER OR NOT THE PERSON IS ALSO A  
5 DISTRIBUTOR.

6 (L) "SALE" MEANS THE TRANSFER OF TITLE OR POSSESSION FOR VALUABLE  
7 CONSIDERATION, REGARDLESS OF THE MANNER BY WHICH THE TRANSFER IS  
8 COMPLETED.

9 (M) (1) "SUGAR" MEANS A MONOSACCHARIDE OR DISACCHARIDE  
10 NUTRITIVE SWEETENER THAT CONTAINS AT LEAST FIVE CALORIES PER SERVING.

11 (2) "SUGAR" INCLUDES GLUCOSE, FRUCTOSE, LACTOSE, AND  
12 SUCROSE.

13 (N) (1) "SUGARY BEVERAGE" MEANS A BEVERAGE, WHETHER  
14 CARBONATED OR NONCARBONATED, THAT:

15 (I) IS INTENDED FOR HUMAN CONSUMPTION AND CONTAINS  
16 ADDED SUGARS OR NONNUTRITIVE SWEETENERS; AND

17 (II) IS NOT AN ALCOHOLIC BEVERAGE, AS DEFINED UNDER §  
18 1-101 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE.

19 (2) "SUGARY BEVERAGE" DOES NOT INCLUDE:

20 (I) NATURAL FRUIT JUICE;

21 (II) NATURAL VEGETABLE JUICE;

22 (III) MILK;

23 (IV) INFANT FORMULA;

24 (V) A BEVERAGE FOR MEDICAL USE; OR

25 (VI) WATER THAT IS NOT FLAVORED USING SUGAR OR  
26 NONNUTRITIVE SWEETENERS.

27 (O) "SYRUP" MEANS A LIQUID MIXTURE OF INGREDIENTS USED IN MAKING,  
28 MIXING, OR COMPOUNDING SUGARY BEVERAGES USING ONE OR MORE OTHER

1 INGREDIENTS, INCLUDING WATER, ICE, POWDER, SIMPLE SYRUP, FRUITS,  
2 VEGETABLES, FRUIT JUICE, VEGETABLE JUICE, AND CARBONATION OR OTHER GAS.

3 **SUBTITLE 2. SUGARY BEVERAGE DISTRIBUTOR REGISTRY.**

4 **11.5-201.**

5 (A) A DISTRIBUTOR DOING BUSINESS IN THE STATE SHALL REGISTER EACH  
6 PLACE OF BUSINESS OWNED AND OPERATED BY THE DISTRIBUTOR WITH THE  
7 COMPTROLLER IN ACCORDANCE WITH § 11.5-202 OF THIS SUBTITLE.

8 (B) A DISTRIBUTOR MAY NOT SELL A SUGARY BEVERAGE, SYRUP, OR  
9 POWDER IN THE STATE UNLESS THE DISTRIBUTOR HAS REGISTERED WITH THE  
10 COMPTROLLER IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

11 **11.5-202.**

12 (A) EACH DISTRIBUTOR SHALL SUBMIT ON A FORM AND IN THE FORMAT THE  
13 COMPTROLLER SPECIFIES:

14 (1) THE NAME OF THE DISTRIBUTOR;

15 (2) THE OWNERS OF THE DISTRIBUTOR;

16 (3) THE STREET ADDRESS AND TELEPHONE NUMBER OF EACH PLACE  
17 OF BUSINESS OWNED AND OPERATED BY THE DISTRIBUTOR;

18 (4) THE NATURE OF THE BUSINESS IN WHICH THE DISTRIBUTOR IS  
19 ENGAGED; AND

20 (5) ANY OTHER INFORMATION THAT THE COMPTROLLER REQUIRES.

21 (B) (1) IF A DISTRIBUTOR COMPLIES WITH THE REQUIREMENTS OF THIS  
22 SECTION, THE COMPTROLLER SHALL APPROVE THE REGISTRATION.

23 (2) A REGISTRATION UNDER THIS SECTION IS VALID UNTIL  
24 DECEMBER 31 OF THE YEAR IN WHICH THE COMPTROLLER APPROVES THE  
25 REGISTRATION.

26 **SUBTITLE 3. SUGARY BEVERAGE DISTRIBUTOR TAX.**

27 **11.5-301.**



1           **EXCEPT AS PROVIDED IN § 11.5–303 OF THIS SUBTITLE, BEGINNING JULY 1,**  
2 **2026, A TAX IS IMPOSED ON EACH DISTRIBUTOR FOR THE PRIVILEGE OF SELLING**  
3 **SUGARY BEVERAGES, SYRUPS, AND POWDER IN THE STATE.**

4 **11.5–302.**

5           **(A) THE RATE OF THE SUGARY BEVERAGE DISTRIBUTOR TAX IS:**

6                   **(1) WITH RESPECT TO SUGARY BEVERAGES SOLD TO A RETAILER FOR**  
7 **SALE IN THE STATE TO A CONSUMER OR, IN THE CASE OF A DISTRIBUTOR WHO IS**  
8 **ALSO A RETAILER, DIRECTLY OFFERED FOR SALE TO A CONSUMER IN THE STATE BY**  
9 **THE DISTRIBUTOR, 2 CENTS PER OUNCE OF SUGARY BEVERAGE; AND**

10                   **(2) WITH RESPECT TO SYRUPS OR POWDERS SOLD TO A RETAILER IN**  
11 **THE STATE TO A CONSUMER OR, IN THE CASE OF A DISTRIBUTOR WHO IS ALSO A**  
12 **RETAILER, DIRECTLY OFFERED FOR SALE TO A CONSUMER IN THE STATE BY THE**  
13 **DISTRIBUTOR, 2 CENTS PER OUNCE OF THE SUGARY BEVERAGE PRODUCED FROM**  
14 **THAT SYRUP OR POWDER BASED ON THE LARGER OF:**

15                           **(I) THE LARGEST VOLUME RESULTING FROM THE USE OF THE**  
16 **SYRUP OR POWDER ACCORDING TO ANY MANUFACTURER’S INSTRUCTIONS; OR**

17                           **(II) THE ACTUAL VOLUME PRODUCED BY THE RETAILER, AS**  
18 **REASONABLY DETERMINED BY THE COMPTROLLER.**

19           **(B) (1) THE SUGARY BEVERAGE DISTRIBUTOR TAX RATES SPECIFIED**  
20 **UNDER SUBSECTION (A) OF THIS SECTION SHALL BE INCREASED ON JULY 1, 2027,**  
21 **AND JULY 1 EACH SUBSEQUENT YEAR IN ACCORDANCE WITH THIS SECTION.**

22                   **(2) ON OR BEFORE JUNE 1 EACH YEAR, THE COMPTROLLER SHALL**  
23 **DETERMINE AND ANNOUNCE:**

24                           **(I) THE GROWTH IN THE CONSUMER PRICE INDEX FOR ALL**  
25 **URBAN CONSUMERS AS DETERMINED BY THE COMPTROLLER UNDER PARAGRAPH**  
26 **(3) OF THIS SUBSECTION; AND**

27                           **(II) THE SUGARY BEVERAGE DISTRIBUTOR TAX RATES**  
28 **EFFECTIVE FOR THE FISCAL YEAR BEGINNING ON THE FOLLOWING JULY 1 AS**  
29 **DETERMINED BY THE COMPTROLLER UNDER PARAGRAPH (4) OF THIS SUBSECTION.**

30                   **(3) (I) IN THIS PARAGRAPH, “CONSUMER PRICE INDEX FOR ALL**  
31 **URBAN CONSUMERS” MEANS THE CONSUMER PRICE INDEX FOR ALL URBAN**

1 CONSUMERS FOR THE MID-ATLANTIC STATISTICAL AREA PUBLISHED BY THE U.S.  
2 DEPARTMENT OF LABOR.

3 (II) THE PERCENTAGE GROWTH IN THE CONSUMER PRICE  
4 INDEX FOR ALL URBAN CONSUMERS SHALL BE DETERMINED BY COMPARING THE  
5 AVERAGE OF THE INDEX FOR THE 12 MONTHS ENDING ON THE PRECEDING APRIL 30  
6 TO THE AVERAGE OF THE INDEX FOR THE PRIOR 12 MONTHS.

7 (4) SUBJECT TO PARAGRAPH (5) OF THIS SUBSECTION, ON JULY 1  
8 EACH YEAR, THE SUGARY BEVERAGE DISTRIBUTOR TAX RATES SPECIFIED UNDER  
9 SUBSECTION (A) OF THIS SECTION SHALL BE INCREASED BY THE AMOUNT, ROUNDED  
10 TO THE NEAREST ONE-TENTH OF A CENT, THAT EQUALS THE PRODUCT OF  
11 MULTIPLYING:

12 (I) THE SUGARY BEVERAGE DISTRIBUTOR TAX RATE IN EFFECT  
13 ON THE DATE OF THE COMPTROLLER'S ANNOUNCEMENT UNDER PARAGRAPH (2) OF  
14 THIS SUBSECTION; AND

15 (II) THE PERCENTAGE GROWTH IN THE CONSUMER PRICE  
16 INDEX FOR ALL URBAN CONSUMERS.

17 (5) IF THERE IS A DECLINE OR NO GROWTH IN THE CONSUMER PRICE  
18 INDEX FOR ALL URBAN CONSUMERS, THE SUGARY BEVERAGE DISTRIBUTOR TAX  
19 RATE SHALL REMAIN UNCHANGED.

20 11.5-303.

21 A DISTRIBUTOR SHALL EXCLUDE THE FOLLOWING SUGARY BEVERAGES,  
22 SYRUPS, AND POWDERS WHEN DETERMINING THE SUGARY BEVERAGE DISTRIBUTOR  
23 TAX DUE UNDER THIS SUBTITLE:

24 (1) SUGARY BEVERAGES, SYRUPS, AND POWDERS SOLD TO THE  
25 UNITED STATES GOVERNMENT AND AMERICAN INDIAN TRIBAL GOVERNMENTS;

26 (2) SUGARY BEVERAGES, SYRUPS, AND POWDERS SOLD BY A  
27 DISTRIBUTOR OR RETAILER EXPRESSLY FOR RESALE OR CONSUMPTION OUTSIDE  
28 THE STATE; AND

29 (3) SUGARY BEVERAGES, SYRUPS, OR POWDERS SOLD BY THE  
30 DISTRIBUTOR TO ANOTHER DISTRIBUTOR THAT IS REGISTERED IN ACCORDANCE  
31 WITH § 11.5-201 OF THIS TITLE, IF THE SALES INVOICE CLEARLY INDICATES THAT  
32 THE SALE IS EXEMPT.

**SUBTITLE 4. RETURNS.**

**11.5-401.**

**(A) EACH DISTRIBUTOR SHALL COMPLETE, UNDER OATH, AND FILE WITH THE COMPTROLLER A RETURN:**

**(1) ON OR BEFORE THE 25TH DAY OF THE MONTH THAT FOLLOWS THE MONTH IN WHICH THE DISTRIBUTOR SOLD OR, IN THE CASE OF A DISTRIBUTOR THAT IS ALSO A RETAILER, OFFERED FOR SALE SUGARY BEVERAGES, SYRUPS, OR POWDERS FOR SALE TO CONSUMERS IN THE STATE; AND**

**(2) IF THE COMPTROLLER SPECIFIES, BY REGULATION, ON OTHER DATES FOR EACH MONTH IN WHICH THE DISTRIBUTOR DID NOT SELL ANY SUGARY BEVERAGES, SYRUPS, OR POWDERS FOR SALE TO CONSUMERS IN THE STATE.**

**(B) A PERSON REQUIRED TO FILE A RETURN UNDER THIS SECTION SHALL FILE WITH THE RETURN AN ATTACHMENT THAT STATES ANY INFORMATION THAT THE COMPTROLLER REQUIRES.**

**11.5-402.**

**A PERSON REQUIRED TO FILE A RETURN UNDER § 11.5-401 OF THIS SUBTITLE SHALL MAINTAIN RECORDS OF SUGARY BEVERAGES, SYRUPS, OR POWDERS SOLD AND THE BASIS FOR THE CALCULATION OF THE SUGARY BEVERAGE DISTRIBUTOR TAX OWED.**

**SUBTITLE 5. TAX PAYMENT.**

**11.5-501.**

**EACH PERSON REQUIRED TO FILE A RETURN UNDER § 11.5-401 OF THIS TITLE SHALL PAY THE SUGARY BEVERAGE DISTRIBUTOR TAX WITH THE RETURN THAT COVERS THE PERIOD FOR WHICH THE TAX IS DUE.**

**SUBTITLE 6. MISCELLANEOUS.**

**11-601.**

**THIS TITLE MAY NOT BE CONSTRUED TO LIMIT THE AUTHORITY OF A POLITICAL SUBDIVISION OF THE STATE TO ADOPT OR IMPLEMENT A TAX RELATED TO SUGARY BEVERAGES.**

1 13-201.

2 In this subtitle, “tax information” means:

3 (4) any information contained in:

4 **(XVI) A SUGARY BEVERAGE DISTRIBUTOR TAX RETURN;**

5 ~~[(xvi)]~~ **(XVII)** a tire recycling fee return;

6 ~~[(xvii)]~~ **(XVIII)** a tobacco tax return; or

7 ~~[(xviii)]~~ **(XIX)** a transportation services assessment return.

8 13-508.

9 (a) Within 30 days after the date on which a notice of assessment of the  
10 admissions and amusement tax, alcoholic beverage tax, boxing and wrestling tax, income  
11 tax, motor carrier tax, motor fuel tax, public service company franchise tax, financial  
12 institution franchise tax, sales and use tax, **SUGARY BEVERAGE DISTRIBUTOR TAX**, or  
13 tobacco tax is mailed, a person or governmental unit against which the assessment is made  
14 may submit to the tax collector:

15 (1) an application for revision of the assessment; or

16 (2) except for the public service company franchise tax, if the assessment  
17 is paid, a claim for refund.

18 (b) If a person or governmental unit fails to submit an application for revision or  
19 claim for refund within the time allowed in subsection (a) of this section, the assessment  
20 becomes final.

21 (c) The Comptroller or an employee of the Comptroller’s office expressly  
22 designated by the Comptroller promptly:

23 (1) (i) shall hold an informal hearing on a person’s or governmental  
24 unit’s admissions and amusement tax, alcoholic beverage tax, boxing and wrestling tax,  
25 income tax, motor carrier tax, motor fuel tax, sales and use tax, **SUGARY BEVERAGE**  
26 **DISTRIBUTOR TAX**, or tobacco tax application for revision or claim for refund under  
27 subsection (a) of this section; and

28 (ii) after the hearing:

29 1. shall act on the application for revision; and

1                   2.       may assess any additional tax, penalty, and interest due;  
2 and

3                   (2)       shall mail to the person or governmental unit a notice of final  
4 determination.

5 13-509.

6                   (a)       Notwithstanding a person's failure to file a timely application for revision or  
7 claim for refund of an assessment of the admissions and amusement tax, alcoholic beverage  
8 tax, boxing and wrestling tax, income tax, motor carrier tax, motor fuel tax, sales and use  
9 tax, **SUGARY BEVERAGE DISTRIBUTOR TAX**, or tobacco tax under § 13-508(a) of this  
10 subtitle, the Comptroller or the Comptroller's designee may issue an order decreasing or  
11 abating an assessment to correct an erroneous assessment.

12                   (b)       If action is taken under subsection (a) of this section, the order shall state  
13 clearly the reasons for decreasing or abating the assessment.

14                   (c)       Any order issued by the Comptroller under subsection (a) of this section shall  
15 be final and not subject to appeal.

16                   (d)       The Comptroller's refusal to enter an order under subsection (a) of this section  
17 shall be final and not subject to appeal.

18 13-825.

19                   **(J)       THE COMPTROLLER MAY REQUIRE A PERSON SUBJECT TO THE SUGARY**  
20 **BEVERAGE DISTRIBUTOR TAX TO POST SECURITY FOR THE TAX IN THE AMOUNT**  
21 **THAT THE COMPTROLLER DETERMINES.**

22 13-1001.

23                   **(H)       A PERSON WHO IS REQUIRED TO FILE A SUGARY BEVERAGE**  
24 **DISTRIBUTOR TAX RETURN AND WHO WILLFULLY FAILS TO FILE THE RETURN AS**  
25 **REQUIRED UNDER TITLE 11.5 OF THIS ARTICLE IS GUILTY OF A MISDEMEANOR AND**  
26 **ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$5,000 OR IMPRISONMENT**  
27 **NOT EXCEEDING 5 YEARS OR BOTH.**

28 13-1002.

29                   (b)       A person, including an officer of a corporation, who willfully files a false digital  
30 advertising gross revenues tax return, a false financial institution franchise tax return, a  
31 false public service company franchise tax return, [or] a false income tax return, **OR A**  
32 **FALSE SUGARY BEVERAGE DISTRIBUTOR TAX RETURN** with the intent to evade the  
33 payment of tax due under this article is guilty of perjury and, on conviction, is subject to  
34 the penalty for perjury.

1 (c) Subsections (a) and (b) of this section apply to the alcoholic beverage, digital  
2 advertising gross revenues, financial institution franchise, public service company  
3 franchise, [and] income, **AND SUGARY BEVERAGE DISTRIBUTOR** taxes.

4 13–1101.

5 (b) An assessment of digital advertising gross revenues tax, financial institution  
6 franchise tax, public service company franchise tax, income tax, [or] estate tax, **OR**  
7 **SUGARY BEVERAGE DISTRIBUTOR TAX** may be made at any time if:

8 (1) a false return is filed with the intent to evade the tax;

9 (2) a willful attempt is made to evade the tax;

10 (3) a return is not filed as required under Title 7, Title 7.5, Title 8, [or]  
11 Title 10, **OR TITLE 11.5** of this article;

12 (4) an amended estate tax return is not filed as required under Title 7 of  
13 this article;

14 (5) an incomplete return is filed; or

15 (6) a report of federal adjustment is not filed within the period required  
16 under § 13–409 of this title.

17 (c) If a report of federal adjustment is filed within the time required under §  
18 13–409 of this title, the tax collector shall assess the digital advertising gross revenues tax,  
19 financial institution franchise tax, public service company franchise tax, income tax, [or]  
20 estate tax, **OR SUGARY BEVERAGE DISTRIBUTOR TAX** within 1 year after the date on  
21 which the tax collector receives the report.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
23 1, 2025.