

Repeal sales tax exemption for candy and soda – Repealing this exemption serves important public health purposes and will support critical wellness and prevention programs, as described in a separate budget brief. Repealing the exemption generates \$61.6 million, and nearly \$10 million is used to support school building construction.

\$51.7 million

5. SALES TAX ON CANDY AND SODA (\$51 million):

http://www.mass.gov/bb/h1/fy11h1/os_11/h11.htm

Repeal Sales Tax Exemptions for Candy and Soft Drinks

SECTION 11. (A) [Chapter 29](#) of the General Laws is hereby amended by inserting after section 2AAA the following section:-

Section 2BBB. There shall be established and set up on the books of the commonwealth a separate fund to be known as the Commonwealth Health and Prevention Fund. The fund shall be credited with all sales tax revenues collected from the sale of candy, soft drinks and alcoholic beverages under [chapter 64H](#). Amounts credited to the fund shall be expended, subject to appropriation, to support alcohol and tobacco addiction services, health promotion, school-based health programs, teenage pregnancy prevention, domestic violence and sexual assault prevention, work force expansion services and other critical programs that support the wellness of residents of the commonwealth.

(B) [Section 1 of chapter 64H](#) of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by adding the following definitions:

"Candy", a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" shall not include any preparation containing flour and shall require no refrigeration.

"Soft drinks", non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or vegetable or fruit juice.

(C) [Section 6 of said chapter 64H](#), as so appearing, is hereby amended by striking out, in line 77, the words ", soft drinks".

(D) Said [section 6 of said chapter 64H](#), as so appearing, is hereby further amended by striking out, in line 78, the words ", candy and confectionary".

(E) Said [section 6 of said chapter 64H](#), as so appearing, is hereby further amended by inserting, after the word "include", in line 80, the following words:- soft drinks and candy, as defined in section 1,.

(F) Said [section 6 of said chapter 64H](#), as so appearing, is hereby further amended by

striking out, in lines 115 to 116, the words "in the instance in which it sells only snacks and candy with a sales price of less than \$3.50" and inserting in place thereof the following words:- to the extent that it sells food products with a sales price of less than \$3.50; provided further that candy and soft drinks as defined in section 1 are subject to tax regardless of whether the vending machine from which they are sold is considered an eating establishment or not.

(G) Said [section 6 of said chapter 64H](#), as so appearing, is hereby further amended by inserting after the word "Beverages", in line 127, the following words:- , except soft drinks,.