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Food Dealers Council

Baltimore City Beverage Container Tax (Council Bill 10-0474)

July 2, 2010

The Baltimore City Beverage Container Tax was enacted on June 24, 2010 and takes effect on July 25, 2010. Below is a description of the key provisions of the beverage container tax law.

I. What is Covered.

1. The law applies to non-reusable containers. A non-reusable container is defined as any individual, separate, and sealed glass, metal, or plastic bottle, can, jar or carton that contains a beverage and is not ordinarily collected from consumers for refilling with a beverage.
 - a. A beverage container is not considered reusable if:
 - it is physically incapable of reuse; and
 - it is the type for which no deposit is required to be paid by the consumer and no refunds payable to the consumer by the dealer.
2. The beverage container tax is levied on non-reusable containers containing the following beverages:
 - beer, ale or other malt beverage;
 - any distilled spirits;
 - any wine cooler, or other wine products;
 - any fruit juice with less than 10% natural fruit juice content.
 - any ready-to-drink teas
 - any soda water, carbonated water, natural or artificial mineral water, or natural or spring water; and
 - any soft drink including cola, ginger ale, root beer, sarsaparilla or any carbonated or uncarbonated beverage commonly known as a soft drink
 - a. Exclusions. The following beverages are excluded and their containers not subject to the tax:
 - any dairy products;
 - any nondairy, milk substitute products such as soymilk, hazelnut or other nut milk, rice or other grain milk and similar products;
 - any beverage containing at least 10% natural fruit juices, or
 - any beverage in a container of 2 liters or more.

II. Tax.

1. The amount of the tax is 2¢ per non-reusable beverage container subject to the tax.

2. The tax is imposed on every distributor who supplies to a dealer (*see below*) operating in Baltimore City any non-reusable beverage containers subject to the tax.
 - a. A dealer is any person who engages in the retail sale of beverages covered by the beverage container tax. Dealer includes (*but not limited*):
 - any business that permits on premises consumption of beverages;
 - any distributor engaged in casual retail sale of beverages;
 - any operator or of a vending machine for which beverages are sold; and
 - any individual outlet in Baltimore City of a multiple outlet retail chain store.
 - b. Distributor means:
 - any person who supplies non-reusable beverage containers to a dealer in Baltimore City;
 - any person who supplies and services vending machines in Baltimore City with non-reusable containers; and
 - any multiple-outlet retail chain store that supplies non-reusable beverage containers to its individual outlets in Baltimore City.
3. The tax is due when the dealer receives the non-reusable beverage containers.
 - a. The tax must be paid on or before the 25th day of the month following the month in which the dealer received the non-reusable beverage container.
 - b. The distributor must remit the tax to the Baltimore City Director of Finance together with a monthly report of all non-reusable beverage containers that the distributor supplied to dealers operating in Baltimore City. The report must be in a form approved by the Director of Finance.
4. Dealer Liability Absent Certification. If any dealer transports or causes to be transported non-reusable beverage containers subject to the tax into Baltimore City, the dealer is liable for the payment of the tax, together with all applicable interest and penalties, unless the dealer obtains from the supplier of the products a written certification that the supplier is liable for and is paying the tax. The certification must be in a form approved by the Director of Finance.

III. Records.

1. Every distributor and dealer must keep records of all transactions involving non-reusable beverage containers as necessary to determine all taxes due as necessary or required by the Director of Finance to make such determination.
2. Records must be available for inspection at all times during business hours.

IV. Penalties and Interest.

1. If a distributor fail to pay the tax required when due, the distributor must in addition to the tax due pay:
 - interest at the rate of 1% for each month or fraction of a month the tax is overdue, and
 - a civil penalty of 10% of the amount of the tax due.
 - Any interest or civil penalty is a lien on the property of any person liable for the payment.
2. Any person who violates any provisions of this law or any rule or regulation adopted under this law is guilty of a misdemeanor and, on conviction, subject to a fine not more that \$1,000 or imprisonment up to 12 months or both.

V. Administration.

1. The Baltimore City Director of Finance is responsible for administration and collection of the tax.
2. The Director may adopt rules and regulations necessary for the administration and enforcement of this law.
3. The Department of Finance can be reached by:
 - Mail: 469 City Hall, 100 N. Holliday Street, Baltimore, MD 21202
 - Phone: 410-396-4941
 - e-mail: deptoffinance@baltimorecity.gov