

## Bottlers Tax Return Change

### **Bottlers, Manufacturers, and Importers of Bottled Soft Drinks Must Pay Tax**

Businesses must pay tax on bottled soft drinks if they manufacture or produce and sell bottled soft drinks in Tennessee or if they import and sell bottled soft drinks into Tennessee, regardless of the kind of container or carbonation. Bottled soft drinks include all nonalcoholic beverages, except milk, fruit and vegetable juices, fruit concentrate and cider.

### **Instructions Added to the Gross Receipts Tax Return for Bottlers and Manufacturers of Soft Drinks**

The Department of Revenue has recently updated form GRO 200, the Gross Receipts Tax Return that bottlers, manufacturers and importers who are subject to the bottlers tax file. The new form now includes more detailed instructions for filling out the return. The new form also incorporates and simplifies the instructions for calculating the credit for franchise and excise tax paid.

### **Instructions for Calculating the Credit for Franchise and Excise Tax Paid Were Simplified**

In-state and out-of-state businesses reporting bottlers tax follow the same instructions for calculating the credit for franchise and excise tax paid. The credit should be calculated as follows:

- 1) Divide the taxpayer's total soft drink sales in Tennessee by the taxpayer's total Tennessee gross receipts (including gross sales, taxable dividends, taxable interest, etc.). The result will be a decimal number.
- 2) Multiply the amount of franchise tax liability from the F&E tax return, Schedule A, Line 3 that has been paid, by the decimal number calculated in step one. This is the amount of franchise tax credit available. This amount should be entered on Line 6 of the bottlers tax return.
- 3) Multiply the amount of excise tax liability from the F&E tax return, Schedule B, Line 7 that has been paid, by the decimal number calculated in step one. This is the amount of excise tax credit available. This amount should be entered on Line 7 of the bottlers tax return.

### **For More Information**

Visit [www.tn.gov/revenue](http://www.tn.gov/revenue). Click on Revenue Help to search for answers or to submit an information request to one of our agents.

### **References**

Tenn. Code Ann. § 67-4-402(d)