

**STREAMLINED SALES AND USE TAX AGREEMENT**  
**COMPLIANCE REVIEW AND INTERPRETATIONS COMMITTEE**

Interpretative Opinion 2009-02

This Interpretative Opinion recommendation is made to the Governing Board by the Compliance Review and Interpretations Committee this day of July 2, 2009 in accordance with Article IX, Rule 902 of the Rules and Procedures adopted by the Streamlined Sales Tax Governing Board, Inc.

The party requesting the interpretation is Woodman's Food Markets, Inc. represented by Steve Kaukl. The request was made on April 10, 2009.

**Issue**

Woodman's Food Markets, Inc. raises a question associated with the definition of soft drinks. The State of Illinois currently considers fruit flavored cocktail mixes to be soft drinks because they can be directly consumed as a non-alcoholic fruit flavored ready to drink beverage. Fruit flavored cocktail mixes contain no alcohol. The example given was Jose Cuervo Margarita Mix, which contains no fruit juice and no alcohol. The intended use for the product is to combine it with liquor to produce an alcoholic cocktail. The issue presented is whether fruit flavored cocktail mixes are soft drinks under the Agreement definitions. The requester proposes that an interpretation be made that fruit flavored cocktail drinks are not soft drinks.

**Public Comment**

No state or public written comments were received.

**Recommendation**

By a unanimous vote, the Compliance Review and Interpretations Committee submits to the Governing Board a recommendation that the interpretation proposed by the requester not be accepted.

**Rationale**

The Agreement defines "soft drinks" to mean non-alcoholic beverages that contain natural or artificial sweeteners. The definition provides that "soft drinks" do not include beverages that include greater than fifty percent of vegetable or fruit juice by volume. The definitions in the Agreement are meant to be objective tests to determine the classification of an item and the

IO09002

August 28, 2009

intent of the user is not relevant. Fruit flavored cocktail mixes meet the definition of “soft drink” and should be classified as such.

**Participating Committee Members**

Larry Wilkie, Myles Vosberg, Tony Mastin, Tom Atchley, Rep. Deb Peters.

IO09002

August 28, 2009