

FISCAL NOTE

SB 1043 - HB 1820

February 24, 2005

SUMMARY OF BILL: Amends current beer tax law by including ale and malt beverages having 5% alcohol content by weight or 6% alcohol content by volume or less to the definition of beer.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues – Less than \$100,000

Increase Local Govt. Revenues – Not Significant

Assumptions:

- Current law includes ale and malt beverages to the definition of beer if its alcohol content is 5% by weight or less.
- Impact is dependent upon the number of incremental products that would be included under the new definition of beer.
- Very few products would be added under this bill and the definition of beer that it proposes because there is very little difference between a product containing 5% alcohol by weight and one containing 6% by volume.
- A decrease in state revenues may result from the inclusion of these few products to the definition of beer due to the reduced tax rate for beer (\$4.29 per barrel or \$0.14 per gallon) as compared to the tax rate for wine (\$1.21 per gallon). This amount is estimated to be less than \$100,000.
- Increase to local government revenues resulting from the 17% beer excise tax is estimated as not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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