

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 986 – SB 1224

March 29, 2011

SUMMARY OF AMENDMENT (005311): Deletes the original bill. Authorizes a licensed wholesaler, holding a basic permit under the Federal Alcohol Administration Act as an importer, to import alcoholic beverages and wine under certain enumerated circumstances. Requires non-resident sellers to obtain an importer or broker permit.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – \$4,000/ABC Fund

Assumptions applied to amendment:

- There is a \$250 annual application fee to the State Alcoholic Beverage Commission (ABC) Fund for a wholesaler permit.
- According to ABC, there are 30 licensed wholesalers in Tennessee. Estimate assumes 33 percent (or 10) will apply for an importer permit resulting in an increase to state revenue of \$2,500 (\$250 x 10).
- There is a minimum \$150 annual application fee to the State Alcoholic Beverage Commission (ABC) Fund for an importer/broker permit.
- According to ABC, there are 10 licensed wholesalers in Tennessee. Estimate assumes 33 percent (or 10) will apply for an importer permit resulting in an increase to state revenue of \$1,500 (\$150 x 10).
- No additional personnel or resources will be required by the ABC.
- According to the Department of Revenue, there will not be a significant increase to state or local sales taxes, the wine excise tax, or enforcement tax collections.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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