

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 17, 2015

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached

Name Deonne Contine

Title Executive Director

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Friday, February 27, 2015

The agency's response appears reasonable.

Name Julia Teska

Title Director

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: BDR 32-875Name of Agency: Department of Taxation

Division/Department: _____

Date: February 24, 2015

This bill revises provisions related to the regulation and taxation of hard cider. This bill clarifies that the term "wine" includes hard cider. Under existing law, an excise tax is levied on wine, including cider, of 70 cents per wine gallon. This bill provides that the 70 cent rate is no longer applicable to cider, and instead requires an excise tax of 16 cents per gallon on cider.

Sections 1 and 2 clearly defines cider and adds cider to the definition of wine.

Section 3 add the levy of 16 cents per gallon on all cider

In order to administer this bill the Department can use existing forms and functionality. A rate of .16 cents already exists on our Liquor Tax Return which can be utilized for hard cider. No expenses are associated with this bill.

In addition, the Department cannot determine the impacts that this change will have on revenue.