

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 19, 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 Wednesday, March 18, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: BDR 52-631Name of Agency: Department of Taxation

Division/Department: _____

Date: March 13, 2015

BDR 52-631 makes several changes in regards to craft distilleries which include; increasing the quantity of spirits which a craft manufacturer may export from 20,000 to 60,000 cases, allowing a craft distillery to serve samples and sell spirits at one location in addition to the premises of the craft distillery, increasing the quantity of spirits that may be sold at retail from 2 bottles per month to 1 case per day, and authorizing a craft distillery to donate spirits for charitable or nonprofit purposes.

Expenses:

The Department can administer this legislation with current resources.

Revenue:

Craft distilleries do not pay liquor tax on any spirits that are exported out of state. Thus, the increase from 20,000 to 60,000 cases will not have an impact on tax revenue. The increase in quantity of spirits that may be sold at retail from 2 bottles per month to 1 case per day may impact tax revenue. The craft distillery pays liquor tax based on the amount of spirits sold in state. If this bill were to cause craft distilleries to increase production and in state sales, whether wholesale or retail, tax revenue would increase. However, the Department does not have the information necessary to determine the impact on revenue.