

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6981**

**BILL NUMBER:** HB 1369

**NOTE PREPARED:** Jan 4, 2003

**BILL AMENDED:**

**SUBJECT:** Wholesaler's Permits.

**FIRST AUTHOR:** Rep. Kuzman

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that retailers and dealers of alcoholic beverages may not transport alcoholic beverages in a manner that would cause the wholesaler to violate an agreement with the wholesaler's supplier.

The bill allows the Alcohol and Tobacco Commission to issue a wholesaler's permit to: (1) a person who is not a resident of Indiana; or (2) a corporation, partnership, limited partnership, or limited liability company if no person having an interest in the corporation, partnership, limited partnership, or limited liability company is a resident of Indiana.

The bill repeals a statute that prohibits a corporation that does business in Indiana from enabling a nonresident of Indiana to control or acquire an interest in a beer wholesaler's permit.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** *Alcohol and Tobacco Commission( ATC):* While the provisions of the bill may require the ATC to evaluate and conform its current permitting procedure, it is not expected to have a significant impact on the Commission.

**Explanation of State Revenues:** *Background:* Based on the December 18, 2002 Revenue Forecast, excise taxes on alcoholic beverages are expected to generate \$36.1 M in FY 2004 and \$36.0 M in FY 2005. The excise taxes on alcoholic beverages are assessed on a per gallon basis. The excise taxes collected on alcoholic beverages vary by product and by the fund to which the tax is dedicated. Revenue from alcoholic beverage excise taxes is distributed into the State General Fund, the Post War Construction Fund, the Pension

Relief Fund, the Addiction Services Fund, and the Wine Grape Market Development Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Background:* Fifty percent of the revenue from the excise tax on alcoholic beverages distributed to the State General Fund is set aside for State General Fund purposes and 50% is allocated to cities and towns based on population.

**State Agencies Affected:** Alcohol and Tobacco Commission.

**Local Agencies Affected:**

**Information Sources:** Don Okey, Alcohol and Tobacco Commission, 232-2463

**Fiscal Analyst:** John Parkey, 317-232-9854