

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6729

BILL NUMBER: SB 231

NOTE PREPARED: Jan 1, 2013

BILL AMENDED:

SUBJECT: Sale of Cold Microbrewery Beer.

FIRST AUTHOR: Sen. Boots

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill makes an exception to the law prohibiting the sale of cold beer by allowing a microbrewer to determine the temperature range at which a wholesaler, dealer, or retailer may store and sell the beer manufactured by the microbrewer, and allowing a holder of a beer dealer's permit to sell and deliver cold beer manufactured by a microbrewery if necessary to meet the microbrewer's storage and sale temperature requirements.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The bill may increase administrative expenditures of the Alcohol and Tobacco Commission (ATC). The ATC may need to amend rules governing the sale of cold beer by microbreweries. The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues: Under current statute, only package liquor stores are allowed to sell cold beer. This bill allows a beer dealer to sell cold beer manufactured by a microbrewery. Any increase in sales by beer dealers may be offset by a corresponding decrease in sales at package liquor stores. However, if sales of alcoholic beverages increase overall, revenue from the Alcoholic Beverage Tax would increase. Any increase in Sales Tax revenue due to increased alcohol sales may be offset by a decrease in sales of other taxable items.

The \$0.115 Alcoholic Beverage Tax on beer is distributed to the following funds: state General Fund (\$0.04), Post War Construction Fund (\$0.0475), Enforcement and Administration Fund (\$0.0075), and Addiction

Services Fund (\$0.02). The state retains 50% of the General Fund distribution of Alcoholic Beverage Tax revenue, and the remainder is distributed to cities and towns based on population.

Sales Tax revenue is deposited in the state General Fund (99.848%), the Industrial Rail Service Fund (0.029%), and the Commuter Rail Service Fund (0.123%).

Explanation of Local Expenditures:

Explanation of Local Revenues: Local revenue would increase to the extent that cities and towns receive funds from Alcoholic Beverage Tax revenue (see *Explanation of State Revenues*).

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources: *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2012.

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