

SB285 INTRODUCED



1 5C80M6-1
2 By Senators Jones, Livingston, Hatcher, Stewart, Sessions,
3 Barfoot, Gudger
4 RFD: Tourism
5 First Read: 03-May-23
6
7 2023 Regular Session



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SYNOPSIS:

Under existing law, certain entities may apply for and be issued an event license by the Alcoholic Beverage Control (ABC) Board to host a wine festival or to participate in a wine festival. The host and participant licensees may dispense tastings and sell at retail to individuals for personal consumption on or off the festival grounds.

This bill would allow a nonprofit organization to apply for a license to host a wine festival.

This bill would simplify the process for license applications, both to host a wine festival for any applicant that is currently a licensee of the board or to participate in a wine festival.

This bill would provide that wine festival participant licensees be given the option of remitting local taxes through the host licensee.

Under existing law, a winery may be located in a dry county under a separate manufacturer's license given by the ABC Board. The licensee is only permitted to distribute its wine outside of the county, and only to licensed wholesalers.

This bill would allow wine producers licensed to be located in dry counties to directly sell their wine to retailers under annual gallon limits, and only when



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29 the wine is transported by employees using vehicles
30 owned or leased by the producer.

31 This bill would also provide that wine producers
32 in dry counties may be licensed to host or participate
33 in wine festivals held in wet counties.

34 Under existing law, a producer of table wine can
35 qualify as a "small farm winery" if at least 50 percent
36 of the wine it produces comes from fruit grown within
37 Alabama or where all of its wine is produced in Alabama
38 and it owns eight acres or more of vineyard in Alabama.

39 This bill would allow small farm wineries to
40 also produce mead where at least 50 percent of the
41 honey used in production is harvested in Alabama.

42 Finally, this bill would specify that mead is
43 taxed for excise purposes at the same rate as table
44 wine.

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A BILL

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TO BE ENTITLED

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AN ACT

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51 Relating to wine and mead; to amend Section 28-3A-20.4,
52 Code of Alabama 1975, to provide that a nonprofit organization
53 may be issued a license to host a wine festival; to further
54 provide for the application process and conditions of
55 licensure to host or participate in a wine festival; and to
56 further provide for the collection and remittance of taxes due



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57 on the sale of wine at a wine festival; to amend Section
58 28-6A-2, Code of Alabama 1975, to further provide for wine
59 manufacturer licensees located in dry counties by allowing
60 such manufacturers to transport and sell wine to retailers
61 under certain limits and to specify that such licensees may
62 host or participate in wine festivals; to amend Section
63 28-7-10.1, Code of Alabama 1975, to further provide for small
64 farm wineries by permitting such wineries to produce mead; and
65 to amend Section 28-7-16, Code of Alabama 1975, to further
66 provide for the excise tax rate for mead.

67 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

68 Section 1. Sections 28-3A-20.4, 28-6A-2, 28-7-10.1, and
69 28-7-16, Code of Alabama 1975, are amended to read as follows:

70 "§28-3A-20.4

71 (a) The Legislature finds and declares that this
72 section has been enacted pursuant to the authority granted to
73 the state under the Twenty-first Amendment to the United
74 States Constitution and the powers reserved to the state under
75 the Tenth Amendment to the United States Constitution and the
76 inherent powers of the state under the Constitution of Alabama
77 of ~~1901~~2022. It is the intent of the Legislature that this
78 section maintains the current three-tier system of control
79 over the sale, distribution, purchase, transportation,
80 manufacture, consumption, and possession of alcoholic
81 beverages in the state and promotes the health, safety, and
82 welfare of residents of this state.

83 (b) (1) Notwithstanding any other section of this title,
84 including, but not limited to, Sections 28-3A-6, 28-3A-25, and



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85 28-7-4, upon application made on a form provided by the board
86 at least 25 days in advance of the event for which a license
87 is sought and accompanied by a fee not to exceed fifty dollars
88 (\$50), the board shall issue a license for a wine festival to
89 a manufacturer of wine licensed by the board manufacturing at
90 least 500 gallons of table wine in this state annually; a
91 retailer; an organization comprised entirely of grape growers,
92 wineries, or grape growers and wineries; a municipality; a
93 county; or an incorporated arts council, main street program,
94 501(c) organization, other nonprofit organization as that term
95 is defined by rule of the board, or downtown development
96 entity upon such terms and conditions as the board may
97 prescribe by rule.

98 (2) The wine festival license shall authorize the
99 licensee to host a festival at which wine festival participant
100 licensees may dispense tastings and sell at retail to
101 individuals physically present at the festival for on-premises
102 or off-premises consumption and for personal use and not for
103 resale, subject to subsection (e).

104 (3) If the applicant for a wine festival license is
105 currently a licensee of the board at the time of application,
106 the board shall only require submission of all of the
107 following information:

108 a. The name and address of the applicant and photo
109 identification.

110 b. The start and end dates of the festival.

111 c. A description of the wine festival location. If the
112 applicant does not own or control the wine festival location,



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113 then the applicant shall include written permission by the
114 person with ownership or control over the property for the
115 wine festival licensee and any wine festival participant
116 licensees to use the property for that wine festival.

117 (4) The board shall not require the following:

118 a. That the applicant submit the application to the
119 board in person.

120 b. That the applicant certify that a liquor liability
121 insurance policy providing coverage for the applicant for the
122 wine festival has been purchased where the applicant submits a
123 written statement from the liquor liability insurer that the
124 applicant's existing liquor liability insurance policy covers
125 the applicant's activities at the wine festival.

126 (c) A wine festival licensed under this section may not
127 operate for more than five consecutive days.

128 (d) (1) Upon application made on a form provided by the
129 board at least 15 days in advance of the event for which a
130 license is sought and accompanied by a fee not to exceed
131 ~~fifteen dollars (\$15)~~ ten dollars (\$10), the board shall issue
132 a wine festival participant license to any retailer or any
133 manufacturer of table wine licensed by the board that
134 manufactures at least 500 gallons of table wine in this state
135 annually.

136 (2) A wine festival participant license shall authorize
137 the licensee to dispense tastings and sell at retail to
138 individuals physically present at the festival for on-premises
139 consumption or off-premises consumption and for personal use
140 and not for resale, subject to subsection (e).



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141 (3) Because the applicant for a wine festival
142 participant license is already a licensee of the board at the
143 time of application, the board shall only require submission
144 of all of the following information:

145 a. The name and address of the applicant and photo
146 identification.

147 b. The start and end dates of the festival.

148 c. A description of the wine festival location.

149 d. If the host licensee for the wine festival is a
150 501(c) (3) organization or other nonprofit organization as
151 described in subdivision (b) (1), a written certification from
152 the applicant that a majority of the net proceeds from the
153 applicant's sales at the festival shall go to the nonprofit
154 organization.

155 (4) The board shall not require any of the following:

156 a. That the applicant submit the application to the
157 board in person.

158 b. A certificate showing that the applicant has
159 purchased a liquor liability insurance policy for the wine
160 festival in a case where the applicant submits one of the
161 following:

162 1. A written statement from the applicant's liquor
163 liability insurer certifying that the applicant's existing
164 liquor liability insurance policy covers the applicant's
165 activities at the wine festival.

166 2. A written statement from the wine festival
167 licensee's liquor liability insurer that the licensee's
168 existing liquor liability insurance policy covers the



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169 activities of the host and any wine festival participant
170 licensee at the wine festival who does not currently possess a
171 liquor liability insurance policy.

172 (e) (1) Wine sold at a wine festival for off-premises
173 consumption shall only be sold by a wine festival participant
174 licensee and shall be sealed, labeled, and packaged in
175 accordance with local, state, and federal laws and
176 regulations.

177 (2) A wine festival participant licensee may not sell
178 more than one case of wine to any individual per festival.

179 (3) For purposes of this section, one case of wine
180 means the equivalent of 12 750-milliliter bottles of wine.

181 (f) The sale of wine at any wine festival may not be
182 permitted on any Sunday in a county or municipality that has
183 not authorized alcoholic beverages to be sold on Sunday.

184 (g) If a wine festival is to take place entirely on the
185 premises of the winery that was granted the license to host
186 the wine festival or a winery that is a member of the
187 organization granted the license to host the festival, then
188 the board may not require any fee for the wine festival
189 license or any wine festival participant license relating to
190 that festival.

191 (h) (1) Each wine festival participant licensee
192 participating in a wine festival shall collect and remit all
193 state and local sales and use taxes and all excise and other
194 taxes due on the sale of wine by the licensee to customers at
195 retail.

196 (2) Notwithstanding subdivision (1), a wine festival



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197 participant licensee that currently is a retail licensee of
198 the board, or a wine festival participant licensee that
199 currently is a manufacturer licensee of the board which also
200 sells wine at retail, in a method and manner established by
201 the Department of Revenue, may include the collection and
202 remittance of all state taxes due on the sale of wine at the
203 festival in the same method and manner as other sales of wine
204 at retail.

205 (3) Each wine festival participant licensee shall
206 collect all the county and local sales and use taxes due on
207 the sale of wine at the festival and may remit those taxes to
208 the wine festival licensee in a manner and method established
209 by the wine festival licensee. The wine festival licensee
210 shall remit the state and local sales and use taxes to the
211 appropriate governing body within seven days following the
212 conclusion of the wine festival, whether or not the wine
213 festival licensee is exempt from sales tax by law.

214 (4)a. A wine festival licensee shall register with the
215 county governing body, or if applicable, municipal governing
216 body, no less than seven days prior to the wine festival. This
217 registration shall include any information necessary to ensure
218 that the proper sales tax is collected and remitted from all
219 sales by each wine festival participant and shall include a
220 list of all wine festival participant licensees for that wine
221 festival with contact information for each licensee.

222 b. The wine festival licensee shall collect county and
223 local sales and use taxes for sales made by all wine festival
224 participant licensees at a wine festival which have elected to



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225 remit taxes through the wine festival licensee pursuant to
226 subdivision (3), whether or not that wine festival licensee is
227 exempt from sales tax by law. The wine festival licensee shall
228 remit the sales and use taxes as provided in subdivision (3).

229 c. Each wine festival licensee and wine festival
230 participant licensee shall be subject to audit by the county
231 and municipal governing body of the location at which the wine
232 festival occurs, for the county and local sales tax remitted
233 by or on behalf of that licensee. Each wine festival licensee
234 shall be responsible for any unreported sales or unremitted
235 sales tax, including unreported or unremitted sales tax
236 related to the failure of that licensee to fully remit and
237 record any sale during the wine festival. Failure to remit
238 sales tax pursuant to this section shall be enforced pursuant
239 to Chapter 23 of Title 40.

240 (i) The board may not limit or prohibit the serving or
241 featuring of food at a licensed wine festival, provided that
242 the person serving or featuring food complies with all
243 applicable laws and rules.

244 (j) A wine festival participant licensee shall not be
245 required to apply for or purchase any county or municipal
246 business license or alcoholic beverage license in order to
247 participate in a wine festival pursuant to this section;
248 provided, that the wine festival licensee for that wine
249 festival is in compliance with paragraph (h) (4) a.

250 ~~(j)~~ (k) For purposes of this section, "retailer" means a
251 retailer licensed for off-premises consumption of table wine.

252 ~~(k)~~ (l) The board may adopt rules to implement this



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253 section, including, but not limited to, rules regarding the
254 liability of a wine festival participant licensee.

255 ~~(1)~~ (m) If any provision of this section or its
256 application to any person or circumstance is determined by a
257 court to be invalid or unconstitutional, that provision shall
258 be stricken and the remaining provisions shall be construed in
259 accordance with the intent of the Legislature to further
260 limit, rather than expand, commerce in alcoholic beverages,
261 including by prohibiting any commerce in alcoholic beverages
262 not expressly authorized, and to enhance strict regulatory
263 control over taxation, distribution, and sale of alcoholic
264 beverages through the existing uniform system of regulation of
265 alcoholic beverages."

266 "§28-6A-2

267 (a) (1) For the purposes of this section, the term
268 "table wine" includes mead.

269 (2) For the purposes of this section, a "small farm
270 winery" means a manufacturer of table wine licensed by the
271 Alcoholic Beverage Control Board, which produces fewer than
272 50,000 gallons of table wine per year, and meets one of the
273 following criteria:

274 a. Produces at least 50 percent of its total production
275 of table wine from fruit that is grown, or honey that is
276 harvested, in this state.

277 b. Produces all of its total production of table wine
278 within this state and owns not less than eight acres of
279 vineyards in this state.

280 ~~(2)~~ (3) For the purposes of this section, table wine



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281 that has been produced by a manufacturer, or a subsidiary or
282 affiliate or other related entity of the manufacturer, and
283 table wine produced exclusively for the winery by another
284 manufacturer shall be considered to be produced by the winery
285 and shall be included in the 50,000 gallon limit provided in
286 subdivision ~~(1)~~ (2).

287 (b) A catastrophic loss to produce grown in this state,
288 including, but not limited to, one caused by drought or frost,
289 may not disqualify a small farm winery if the winery qualified
290 as a small farm winery prior to the catastrophic loss.

291 (c) Notwithstanding any provision of this title to the
292 contrary, a small farm winery may do all of the following:

293 (1) Sell its table wines produced on its licensed
294 premises directly from its licensed premises at retail to
295 consumers physically present at the licensed premises, either
296 for on-premises or off-premises consumption, for personal use
297 and not for resale; provided, the winery collects and remits
298 all state and local sales or use taxes and excise taxes due on
299 the sale of table wine to consumers, packages and labels the
300 wine in accordance with state and federal law, and reports its
301 annual production of table wine to the board.

302 (2)a. Either of the following, provided that
303 transportation of wine under this subdivision is made by the
304 winery's employees in a vehicle owned or leased by the winery:

305 1. Sell and transport up to 10,000 gallons of its table
306 wine produced on its licensed premises directly to licensed
307 retailers each year.

308 2. Sell and transport up to 20,000 gallons of its table



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309 wine produced on its licensed premises directly to licensed
310 retailers each year, if the winery provides to the board proof
311 that the winery's table wine has been declined to be
312 distributed by two separate wholesalers of table wine. If the
313 winery's table wine has been accepted for distribution by any
314 wholesaler of table wine, then the winery may not sell its
315 table wine directly to retailers under this paragraph.

316 b. For purposes of this subdivision, retailers include
317 those that are licensed by the board for on-premises
318 consumption, for off-premises consumption, or for both.

319 c. If a winery sells and transports 20,000 total
320 gallons of table wine directly to retailers as provided in
321 this subdivision in any one year, that winery may not
322 subsequently sell and transport table wine directly to
323 retailers under this subdivision.

324 d. Notwithstanding any other provision of this section
325 to the contrary, a small farm winery may only sell and
326 transport table wine that has been approved by the board for
327 sale within the state and for which the small farm winery owns
328 the Certificate of Label Approval issued by the Alcohol and
329 Tobacco Tax and Trade Bureau.

330 (d) A county or a municipality may not require a small
331 farm winery to pay any fees, including business licensure
332 fees, to make sales or deliveries under this section, or any
333 additional local tax other than the tax described in
334 subdivision (c) (1).

335 (e) (1) A small farm winery shall maintain records
336 verifying that the winery meets the qualifications under this



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337 section, and shall provide those records to the board upon
338 request.

339 (2) A small farm winery shall report to the board each
340 month the amount of table wine sold directly to each licensed
341 retailer under this section.

342 (f) The board shall adopt rules to implement this
343 section."

344 "§28-7-10.1

345 (a) Upon an applicant's compliance with this section
346 and the rules adopted pursuant to this section, the board may
347 issue a wine manufacturer license to the applicant which shall
348 authorize the licensee to manufacture or otherwise distill,
349 produce, ferment, bottle, or compound wine in a dry county
350 only for the sale for distribution outside of the county. No
351 person shall manufacture or otherwise distill, produce,
352 ferment, bottle, or compound wine in a dry county for sale or
353 distribution unless the person or the authorized
354 representative of the person has been granted a wine
355 manufacturer license issued by the board pursuant to this
356 section.

357 (b) A wine manufacturer licensed under this section is
358 prohibited from doing any of the following:

359 (1) Selling any wine ~~direct to any retailer or for~~
360 ~~consumption on the premises where sold~~ or dispensing any
361 tastings for consumption on its licensed premises.

362 (2) Selling or delivering any wine in other than
363 original containers approved as to capacity by the board and
364 in accordance with standards of fill prescribed by the U.S.



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365 Treasury Department.

366 (3) Maintaining or operating within the state any place
367 or places, other than the place or places covered by the wine
368 manufacturer license.

369 (c) Any wine manufactured in the dry county by the
370 manufacturer licensed pursuant to this section may be sold
371 only for shipment and delivery to a licensed wine
372 ~~distributor~~wholesaler in this state or to a legal distributor
373 outside of this state, except that the manufacturer may use
374 its employees to sell and transport wine directly to retail
375 licensees of the board in a vehicle owned or leased by the
376 manufacturer subject to the following limits:

377 (1) No more than 10,000 gallons produced on its
378 licensed premises each year.

379 (2) No more than 20,000 gallons produced on its
380 licensed premises each year if the manufacturer provides to
381 the board proof that its wine has been declined to be
382 distributed by two licensed wine wholesalers. If the
383 manufacturer's wine has been accepted for distribution by any
384 licensed wine wholesaler, it may not sell and transport its
385 wine directly to retailers under this subdivision.

386 (d) A wine manufacturer licensee licensed pursuant to
387 this section shall be required to file with the board, prior
388 to making any sales, a list of its labels to be sold and shall
389 file with the board its federal certificate of label approvals
390 or its certificates of exemption as required by the U.S.
391 Treasury Department. All wines whose labels have not been
392 registered as herein provided shall be considered contraband



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393 and may be seized by the board or its agents, or any peace
394 officer of the state without a warrant and the goods shall be
395 delivered to the board and disposed of as provided by law.

396 (e) A wine manufacturer licensee licensed pursuant to
397 this section shall be required to send to the board, prior to
398 the twentieth day of each month, a consolidated report of all
399 shipments of alcoholic beverages made to each licensed
400 wholesaler or licensed retailer during the preceding month.
401 The reports shall be in the form and shall contain the
402 information as the board may require.

403 (f) Every wine manufacturer licensed pursuant to this
404 section shall keep at its principal place of business within
405 the state, daily permanent records which shall show the
406 quantities of raw materials used in the manufacture of wine,
407 and the quantities of wine manufactured and stored, the sale
408 of wine, the quantities of wine stored for hire or transported
409 for hire by or for the licensee, and the names and addresses
410 of the purchasers of the wine.

411 (g) Every place licensed as a wine manufacturer
412 pursuant to this section shall be subject to inspection by the
413 board or by persons duly authorized and designated by the
414 board at any time of the day or night as they may deem
415 necessary, for the detection of violations of this chapter, of
416 any law, or of the rules of the board, or for the purpose of
417 ascertaining the correctness of the records required to be
418 kept by the licensees. The books and records of licensees
419 shall be open for inspection at all times by the board or by
420 persons duly authorized and designated by the board. Members



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421 of the board and its duly authorized agents, without
422 hindrance, may enter any place that is subject to inspection
423 hereunder or any place where records are kept for the purpose
424 of making inspections and making transcripts thereof.

425 (h) Where otherwise lawful, a manufacturer licensed
426 under this section may qualify with the board as the host of
427 or as a participant in a wine festival located in a wet
428 municipality in the county of its licensed premises or outside
429 the county of its licensed premises pursuant to Section
430 28-3A-20.4.

431 (i) Licenses issued under this section, unless revoked
432 in the manner provided in this chapter, shall be valid for the
433 license year commencing January 1 of each year.

434 ~~(i)~~ (j) The board may adopt rules to implement and
435 administer this section.

436 ~~(j)~~ (k) The provisions of Act 2021-517 are supplemental
437 to any laws regulating alcoholic beverages in this state and
438 shall not be construed to repeal or supersede any laws or
439 rules of the Alcoholic Beverage Control Board not in direct
440 conflict with Act 2021-517."

441 "§28-7-16

442 (a) Levy. There is hereby levied in addition to the
443 license taxes provided for by this chapter and municipal and
444 county license taxes and in addition to any marked-up price
445 made by the board on wine sold by the board a privilege or
446 excise tax measured by and graduated in accordance with the
447 volume of sales of table wine containing not more than sixteen
448 and one-half percent alcohol by volume and shall be an amount



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449 equal to forty-five cents (\$.45) per liter of table wine
450 containing not more than sixteen and one-half percent alcohol
451 by volume sold to the wholesale licensee or board, to be
452 collected from the purchaser by the board or by a licensed
453 retailer.

454 (b) Collection, Monthly Return, Remittance, Right to
455 Examine Books and Records.

456 (1) The tax levied by subsection (a) shall be added to
457 the sales price of all table wine containing not more than
458 sixteen and one-half percent alcohol by volume sold and shall
459 be collected from the purchasers. The tax shall be collected
460 in the first instance from the wholesaler where table wine
461 containing not more than sixteen and one-half percent alcohol
462 by volume is sold or handled by wholesale licensees, and by
463 the board from whomever makes sales when table wine containing
464 not more than sixteen and one-half percent alcohol by volume
465 is sold by the board. It shall be unlawful for any person who
466 is required to pay the tax in the first instance to fail or
467 refuse to add to the sales price and collect from the
468 purchaser the required amount of tax, it being the intent and
469 purpose of this provision that the tax levied is in fact a
470 levy on the consumer. The person who pays the tax in the first
471 instance is acting as an agent of the state for the collection
472 and payment of the tax and as such may not collect a tax on
473 table wine containing not more than sixteen and one-half
474 percent alcohol by volume for any other level of government.

475 (2) The tax hereby levied shall be collected by a
476 monthly return, which shall be filed by the wholesale



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477 licensees as follows: A monthly return filed with the board
478 not later than the 15th day of the second month following the
479 month of receipt of table wine containing not more than
480 sixteen and one-half percent alcohol by volume by the
481 wholesaler on a form prescribed by the board showing receipts
482 by the wholesalers from manufacturer, importer, or other
483 wholesaler licensees during the month of receipt and the taxes
484 due thereon at the rate of thirty-eight cents (\$.38) per liter
485 of table wine containing not more than sixteen and one-half
486 percent alcohol by volume sold to the wholesale licensee or
487 board; the taxes due at such rate shall be remitted to the
488 board along with the return; a monthly return filed with the
489 county or municipality within which the wine is sold at retail
490 filed not later than the 15th day of each month showing sales
491 by wholesalers during the preceding month and the county or
492 municipality in which sold and the taxes due thereon at the
493 rate of seven cents (\$.07) per liter of table wine containing
494 not more than sixteen and one-half percent alcohol by volume
495 sold; and the taxes due at such rate shall be remitted to the
496 county or municipality along with the return.

497 (3) The tax hereby levied shall be collected by the
498 board on the table wine containing not more than sixteen and
499 one-half percent alcohol by volume sold by the board and shall
500 be paid as follows: Taxes at the rate of thirty-eight cents
501 (\$.38) per liter of table wine containing not more than
502 sixteen and one-half percent alcohol by volume sold shall be
503 remitted by the board to the State Treasurer and taxes at the
504 rate of seven cents (\$.07) per liter of table wine containing



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505 not more than sixteen and one-half percent alcohol by volume
506 sold shall be remitted by the board to the county or
507 municipality within which the wine was sold at retail not
508 later than the last day of the month following the month of
509 sale, as set forth in subsection (c).

510 (4) The board and the governing body of each county and
511 municipality served by the wholesaler shall have the authority
512 to examine the books and records of any person who sells,
513 stores, or receives for the purpose of distribution any table
514 wine, containing not more than sixteen and one-half percent
515 alcohol by volume to determine the accuracy of any return
516 required to be filed with it.

517 (c) Disposition of proceeds. The proceeds of the tax
518 levied by subsection (a) shall be paid and distributed as
519 follows:

520 (1) Thirty-eight cents (\$.38) per liter of table wine
521 containing not more than sixteen and one-half percent alcohol
522 by volume sold shall be collected by the board on its sales or
523 paid to the board by wholesale licensees on their sales, and
524 by the board paid to the State Treasurer to be credited as net
525 profits from operation of the board to be distributed as
526 provided by law.

527 (2) Seven cents (\$.07) per liter of table wine
528 containing not more than sixteen and one-half percent alcohol
529 by volume sold shall be paid by the board on its sales or by
530 wholesale licensees on their sales, either into the treasury
531 of the municipality in which the table wine was sold at retail
532 within its corporate limits, or, where sold outside the



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533 corporate limits of any municipality, into the treasury of the
534 county in which the table wine was sold at retail.

535 (d) There is hereby levied in addition to the license
536 taxes provided for by this chapter and municipal and county
537 license taxes and in addition to any marked-up price made by
538 the board on wine sold by the board a privilege or excise tax
539 measured by and graduated in accordance with the volume of
540 sales of table wine containing more than sixteen and one-half
541 percent alcohol by volume. The tax shall be an amount equal to
542 two dollars and forty-two cents (\$2.42) per liter of table
543 wine containing more than sixteen and one-half percent alcohol
544 by volume sold to the wholesale licensee or board, to be
545 collected from the purchaser by the board or by a licensed
546 retailer.

547 (e) Collection, Monthly Return, Remittance, Right to
548 Examine Books and Records.

549 (1) The tax levied by subsection (d) shall be added to
550 the sales price of all table wine containing more than sixteen
551 and one-half percent alcohol by volume sold and shall be
552 collected from the purchasers. The tax shall be collected in
553 the first instance from the wholesaler where table wine
554 containing more than sixteen and one-half percent alcohol by
555 volume is sold or handled by wholesale licensees, and by the
556 board from whomever makes sales when table wine containing
557 more than sixteen and one-half percent alcohol by volume is
558 sold by the board. It shall be unlawful for any person who is
559 required to pay the tax in the first instance to fail or
560 refuse to add to the sales price and collect from the



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561 purchaser the required amount of tax, it being the intent and
562 purpose of this provision that the tax levied is in fact a
563 levy on the consumer. The person who pays the tax in the first
564 instance is acting as an agent of the state for the collection
565 and payment of the tax and as such may not collect a tax on
566 table wine containing more than sixteen and one-half percent
567 alcohol by volume for any other level of government.

568 (2) The tax levied in subsection (d) shall be collected
569 by a monthly return, which shall be filed by the wholesale
570 licensees with the board not later than the 15th day of the
571 second month following the month of receipt of table wine
572 containing more than sixteen and one-half percent alcohol by
573 volume by the wholesaler on a form prescribed by the board
574 showing receipts by the wholesalers from manufacturer,
575 importer, or other wholesaler licensees during the month of
576 receipt and the taxes due thereon at the rate of two dollars
577 and forty-two cents (\$2.42) per liter of table wine containing
578 more than sixteen and one-half percent alcohol by volume sold
579 to the wholesale licensee or board; the taxes due at such rate
580 shall be remitted to the board along with the return.

581 (3) The tax levied in subsection (d) shall be collected
582 by the board on table wine containing more than sixteen and
583 one-half percent alcohol by volume sold by the board and shall
584 be paid as follows: Taxes at the rate of two dollars and
585 forty-two cents (\$2.42) per liter of table wine containing
586 more than sixteen and one-half percent alcohol by volume sold
587 shall be remitted by the board to the State Treasurer.

588 (4) The board shall have the authority to examine the



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589 books and records of any person who sells, stores, or receives
590 for the purpose of distribution any table wine containing more
591 than sixteen and one-half percent alcohol by volume, to
592 determine the accuracy of any return required to be filed with
593 it.

594 (f) Disposition of proceeds. The proceeds of the tax
595 levied by subsection (d) shall be paid and distributed as
596 follows:

597 (1) Thirty-seven percent to the Alcoholic Beverage
598 Control Board.

599 (2) Thirty-four percent to the State General Fund.

600 (3) Twenty and eight-tenths percent to the Department
601 of Human Resources.

602 (4) Eight and two-tenths percent to the Department of
603 Mental Health.

604 (g) Mead shall be taxed at the same rate as table wine
605 as follows:

606 (1) Mead containing not more than sixteen and one-half
607 percent of alcohol by volume shall be taxed pursuant to
608 subsection (a).

609 (2) Mead containing more than sixteen and one-half
610 percent and not more than eighteen percent alcohol by volume
611 shall be taxed pursuant to subsection (d).

612 ~~(g)~~ (h) Taxes exclusive. The taxes herein levied are
613 exclusive and shall be in lieu of all other and additional
614 taxes and licenses of the state, county, or municipality,
615 imposed on or measured by the sale or volume of sale of table
616 wine; provided, that nothing herein contained shall be



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617 construed to exempt the retail sale of table wine from the
618 levy of tax on general retail sales by the state, county, or
619 municipality in the nature of, or in lieu of, a general sales
620 tax.

621 ~~(h)~~ (i) Trade between wholesalers exempt. The taxes
622 levied by subsections (a) and (d) shall not be imposed upon
623 the sale, trade, or barter of table wine by one licensed
624 wholesaler to another wholesaler licensed to sell and handle
625 table wine in this state, which transaction is hereby made
626 exempt from the tax; provided, however, the board may require
627 written reporting of any such transaction in the form as the
628 board may prescribe."

629 Section 2. This act shall become effective on the first
630 day of the third month following its passage and approval by
631 the Governor, or its otherwise becoming law.