

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6872

BILL NUMBER: HB 1405

NOTE PREPARED: Jan 3, 2024

BILL AMENDED:

SUBJECT: Restaurant Carryout Sales.

FIRST AUTHOR: Rep. GiaQuinta

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill exempts a specialty or gourmet market issued a beer and wine retailer's permit in September 2019 from the gross retail income requirements to sell alcoholic beverages for carryout.

Effective Date: July 1, 2024.

Explanation of State Expenditures: The Alcohol and Tobacco Commission (ATC) would be required to enforce the bill's provisions. The bill's requirements are within the ATC'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: Current law only allows for a specialty or gourmet market to sell alcohol for carryout if it meets the requirement that at least sixty percent (60%) of the retailer permittee's gross retail income from the sale of alcoholic beverages is derived from the sale of alcoholic beverages for consumption on the licensed premises. The bill exempts a specialty or gourmet market that was issued a beer and wine retailer's permit in September 2019 from those requirements. If more alcoholic beverages are sold than would otherwise be sold under current law, revenue from Alcoholic Beverage Taxes and potentially Sales Tax could increase. However, any increase is expected to be small.

Alcoholic Beverage Tax on beer and wine is distributed in varying amounts to the following funds: General Fund, State Construction Fund, Enforcement and Administration Fund, and Addiction Services Fund. Fifty percent of the General Fund distribution is allocated to cities and towns according to a formula based on population.

Sales Tax revenue is deposited in the General Fund (99.838%), Commuter Rail Service Fund (0.131%), and Industrial Rail Service Fund (0.031%).

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill is not expected to have a significant impact on local revenues. However, to the extent that Alcoholic Beverage Tax revenue increases, the amount distributed to cities and towns could increase. [*See Explanation of State Revenues.*]

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: Cities and towns.

Information Sources: Legislative Services Agency. *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2023.

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