

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

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FISCAL IMPACT STATEMENT

LS 6127

BILL NUMBER: SB 144

NOTE PREPARED: Feb 12, 2021

BILL AMENDED: Feb 11, 2021

SUBJECT: Bulk Wine Purchasing Limitations.

FIRST AUTHOR: Sen. Messmer

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the bulk wine purchasing limits for farm wineries apply only to wine sold directly to a consumer in Indiana, and that no limit is imposed on the amount of bulk wine that may be used in producing wine sold through a wholesaler or sold outside of Indiana.

Effective Date: July 1, 2021.

Explanation of State Expenditures:

Explanation of State Revenues: If the bill allows farm wineries to sell more wine in Indiana than they would have with the current limits on bulk wine purchasing and if this causes an increase in total wine sales in Indiana, revenue from the Alcoholic Beverage Tax and Sales Tax could increase. However, any increase in revenue would be negligible.

The Alcoholic Beverage Tax on wine is equal to \$0.47 per gallon. Revenue is distributed to the following funds: General Fund (\$0.20), State Construction Fund (\$0.16), Enforcement and Administration Fund (\$0.04), Addiction Services Fund (\$0.02), and Wine Grape Market Development Fund (\$0.05). 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: To the extent that Alcoholic Beverage Tax revenue increases, the amounts allocated to cities and towns would increase. However, any increase in revenue would be minor.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: Cities and towns.

Information Sources:

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