

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

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FISCAL IMPACT STATEMENT

LS 6917

BILL NUMBER: SB 205

NOTE PREPARED: Jan 3, 2024

BILL AMENDED:

SUBJECT: Collaborative Brewing.

FIRST AUTHOR: Sen. Alting

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a small brewery to manufacture beer for another small brewery if certain requirements are met.

Effective Date: July 1, 2024.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC):* The ATC would administer the bill's provisions. 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: *Beer Sales:* To the extent that alcoholic beverage sales for beer increase as a result of collaborative brewing increasing the amount and availability of beer, Alcoholic Beverage Tax and Sales Tax revenue could potentially increase. However, any increase would be minimal.

The Alcoholic Beverage Tax rate on beer is equal to \$0.115 per gallon and is distributed to the following funds: General Fund (\$0.04), State Construction Fund (\$0.0375), Enforcement and Administration Fund (\$0.0175), and Addiction Services Fund (\$0.02). 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: *Alcoholic Beverage Sales:* To the extent that Alcoholic Beverage Tax revenue increases, distributions 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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