

Introduced by

Representatives Motschenbacher, Beltz, Cory, Dockter, Fisher, Grueneich, Heinert, Klemin,
Louser, Marschall

Senator K. Roers

1 A BILL for an Act to amend and reenact section 5-03-07 of the North Dakota Century Code,
2 relating to alcoholic beverage tax on diluted beverages.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 5-03-07 of the North Dakota Century Code is amended
5 and reenacted as follows:

6 **5-03-07. Imposition of tax - Rate.**

7 1. A tax is hereby imposed upon all alcoholic beverage wholesalers, domestic wineries,
8 domestic distilleries, microbrew pubs, brewer taproom licensees, and direct shippers
9 for the privilege of doing business in this state. The amount of this tax shall be
10 determined by the gallonage according to the following schedule:

11 Beer in bulk containers - per wine gallon	\$.08 (.021 per liter)
12 Beer in bottles and cans - per wine gallon	.16 (.042 per liter)
13 Wine, including sparkling wine, containing less than 17% alcohol by 14 volume - per wine gallon	.50 (.132 per liter)
15 Wine <u>Diluted beverages or wine</u> containing 17%-24% alcohol by 16 volume - per wine gallon	<u>.60 (.159 per liter)</u>
17 Distilled spirits - per wine gallon	2.50 (.66 per liter)
18 Alcohol - per wine gallon	4.05 (1.07 per liter)

19 2. As used in this section:

20 a. "Diluted beverages" means alcoholic beverages prepared from the admixture of
21 spirits or wine with water, dairy products, fruit juices, or vegetable juices, to which
22 natural flavors, artificial flavors, sweetening agents, or food additives may be
23 added to produce a beverage distinct from the spirits or wine. The term does not

1 include beverages containing twelve and one-half percent or more of alcohol by
2 volume.

3 b. Notwithstanding section 5-01-01, "distilled spirits" has the same meaning as in
4 section 5-01-01, except the term does not include diluted beverages as defined in
5 subdivision a.

6 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
7 June 30, 2023.