Statement of Estimated State Revenue Impact

Date: April 9, 2013

Bill Number: H.B. 3554

Authors: Cole and Forrester

Committee Requesting Impact: House Judiciary Committee

Bill Summary

A bill to amend Section 61-4-1515, of the Code of Laws of South Carolina, 1976, relating to samples and sales of beer at breweries, so as to specify that fourteen percent alcohol by weight is the maximum that may be offered for on-premises consumption, to allow for the sale of sixty-four ounces of beer to a consumer every twenty-four hours, to provide the beer must be sold at the approximate retail price, to provide that appropriate taxes must be remitted, and to clarify that a certain provision applies to off-premises consumption.

REVENUE IMPACT [1/]

This bill is not expected to affect General Fund beer tax revenue in FY2013-14.

Explanation

This bill would amend Section 61-4-1515 to make a distinction between the sales of beer at a licensed brewery for on-premises consumption and off-premises consumption. This bill also designates that beer brewed and sold at a licensed brewery must have no more than fourteen percent alcohol by weight for on-premises consumption as well as for off-premises consumption. Currently, beer tastings held in conjunction with a tour of a brewery could not be more than two ounces per brand, with no more than four brands of beer consumed, with over eight percent alcohol by weight and no more than four ounces of beer with fewer than eight percent alcohol by weight at the licensed brewery in a 24 hour period. This bill would change this limitation to allow the sales of beer to increase to 64 ounces (5.3 twelve-ounce containers) of beer to be sold to an individual at a licensed brewery in a 24 hour period. These sales would be limited to on-premises consumption at a price approximating retail prices generally charged for identical beverages. This bill reinforces language to ensure that the brewery must remit appropriate taxes to the Department of Revenue for beer sales in an amount equal to the taxes assessed by Section 12-21-1020 and Section 12-21-1030. The brewery must also remit appropriate sales and use taxes and local hospitality taxes. Since this bill does not change any taxes or fees, and the retailer/brewery is currently remitting the appropriate revenues, this bill is not expected to affect General Fund beer tax revenue in FY2013-14.

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[1/] This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact of Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.