

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

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FISCAL IMPACT STATEMENT

LS 6127

BILL NUMBER: SB 144

NOTE PREPARED: Apr 12, 2021

BILL AMENDED: Mar 29, 2021

SUBJECT: Alcohol Matters.

FIRST AUTHOR: Sen. Messmer

FIRST SPONSOR: Rep. Mayfield

BILL STATUS: Enrolled

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.

The bill also allows the holder of an artisan distiller permit to also hold a distiller's permit. It provides that a holder of an artisan distiller's permit that also holds an interest in a distiller's permit may manufacture and bottle liquor on the same equipment on the premises of the artisan distillery. It requires a permit holder to store liquor manufactured or bottled under an artisan distiller's permit in an area separate and distinct at all times from the liquor manufactured under a distiller's permit. It also requires that the manufacture, bottling, and storage of liquor under certain provisions must conform with federal laws, rules, and regulations.

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. Similarly, if the bill allows distilleries to produce and sell more liquor than they would have otherwise, Alcoholic Beverage Tax and Sales Tax revenue could potentially increase. However, any increase in revenue would be minimal.

Alcoholic Beverage Tax revenue is distributed in varying amounts to the following funds: General Fund, State Construction Fund, Enforcement and Administration Fund, Pension Relief Fund, Addiction Services

Fund, and Wine Grape Market Development 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: 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:

Fiscal Analyst: Lauren Tanselle, 317-232-9586.