

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 578**

Introduced by Vargas, 7; Wishart, 27.

Read first time January 19, 2021

Committee:

- 1 A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend
- 2 sections 53-101 and 53-103, Revised Statutes Cumulative Supplement,
- 3 2020; to define a term; to provide a tax on manufacturers and
- 4 wholesalers of ready-to-drink cocktails; to harmonize provisions; to
- 5 repeal the original sections; and to declare an emergency.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 53-101, Revised Statutes Cumulative Supplement,  
2 2020, is amended to read:

3 53-101 Sections 53-101 to 53-1,122 and sections 3 and 4 of this act  
4 shall be known and may be cited as the Nebraska Liquor Control Act.

5 Sec. 2. Section 53-103, Revised Statutes Cumulative Supplement,  
6 2020, is amended to read:

7 53-103 For purposes of the Nebraska Liquor Control Act, the  
8 definitions found in sections 53-103.01 to 53-103.47 and section 3 of  
9 this act apply.

10 Sec. 3. Ready-to-drink cocktail means a beverage containing spirits  
11 in an original package which contains twelve and one-half percent or less  
12 alcohol by volume.

13 Sec. 4. (1) Notwithstanding any other provision of the Nebraska  
14 Liquor Control Act, for the purpose of raising revenue, a tax is imposed  
15 upon the privilege of engaging in business as a manufacturer or a  
16 wholesaler of ready-to-drink cocktails at a rate of thirty-one cents per  
17 gallon. The gallonage tax imposed by this section shall be imposed only  
18 on alcoholic liquor upon which a federal excise tax is imposed.

19 (2) Manufacturers or wholesalers of ready-to-drink cocktails shall  
20 be exempt from the payment of the gallonage tax on such products upon  
21 satisfactory proof, including bills of lading furnished to the commission  
22 by affidavit or otherwise as the commission may require, that such ready-  
23 to-drink cocktails were manufactured in this state but shipped out of the  
24 state for sale and consumption outside this state.

25 (3) The gallonage tax imposed by this section shall be in addition  
26 to all other occupation or privilege taxes imposed by this state or by  
27 any municipal corporation or political subdivision thereof.

28 (4) The commission shall collect the gallonage tax on ready-to-drink  
29 cocktails and shall account for and remit to the State Treasurer at least  
30 once each week all money collected pursuant to this section. If any  
31 ready-to-drink cocktails manufactured in or shipped into this state are

1 sold to a licensed manufacturer or wholesaler of this state to be used  
2 solely as an ingredient in the manufacture of any beverage for human  
3 consumption, the tax imposed upon such manufacturer or wholesaler shall  
4 be reduced by the amount of the taxes which have been paid as to such  
5 alcoholic liquor so used under the Nebraska Liquor Control Act. The net  
6 proceeds of all revenue arising under this section shall be credited to  
7 the General Fund.

8       Sec. 5.   Original sections 53-101 and 53-103, Revised Statutes  
9 Cumulative Supplement, 2020, are repealed.

10       Sec. 6.   Since an emergency exists, this act takes effect when  
11 passed and approved according to law.