

2017 -- H 5914

=====
LC002085
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

—————
A N A C T

RELATING TO ALCOHOLIC BEVERAGES - TAXATION OF BEVERAGES

Introduced By: Representatives Ruggiero, Canario, Edwards, Marshall, and Mendonca

Date Introduced: March 10, 2017

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 3-10-1 of the General Laws in Chapter 3-10 entitled "Taxation of
2 Beverages" is hereby amended to read as follows:

3 **3-10-1. Manufacturing tax rates -- Exemption of religious uses.**

4 (a) There shall be assessed and levied by the tax administrator on all beverages
5 manufactured, rectified, blended, or reduced for sale in this state a tax of three dollars and thirty
6 cents (\$3.30) on every thirty-one (31) gallons, and a tax at a like rate for any other quantity or
7 fractional part. On any beverage manufactured, rectified, blended, or reduced for sale in this state
8 consisting, in whole or in part, of wine, whiskey, rum, gin, brandy spirits, ethyl alcohol, or other
9 strong liquors (as distinguished from beer or other brewery products), the tax to be assessed and
10 levied is as follows:

11 (1) Still wines (whether fortified or not), one dollar and forty cents (\$1.40) per gallon;

12 (2) Still wines (whether fortified or not) made entirely from fruit grown in this state,
13 thirty cents (\$.30) per gallon;

14 (3) Sparkling wines (whether fortified or not), seventy five cents (\$.75) per gallon;

15 (4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole
16 or in part of alcohol that is the product of distillation, five dollars and forty cents (\$5.40) per
17 gallon, except that whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting, in
18 whole or in part, of alcohol that is the product of distillation but that contains alcohol measuring
19 thirty (30) proof or less, one dollar and ten cents (\$1.10) per gallon;

1 (5) Ethyl alcohol to be used for beverage purposes, seven dollars and fifty cents (\$7.50)
2 per gallon; and

3 (6) Ethyl alcohol to be used for nonbeverage purposes, eight cents (\$.08) per gallon.

4 (b) Sacramental wines are not subject to any tax if sold directly to a member of the clergy
5 for use by the purchaser or his or her congregation for sacramental or other religious purposes.

6 (c) A brewer who brews beer in this state that is actively and directly owned, managed,
7 and operated by an authorized legal entity that has owned, managed, and operated a brewery in
8 this state for at least twelve (12) consecutive months, shall receive a tax exemption on the first
9 one hundred thousand (100,000) barrels of beer that it produces and distributes in this state in any
10 calendar year. A barrel of beer is thirty one (31) gallons.

11 (d) A distiller who distills spirits in this state that is actively and directly owned,
12 managed, and operated by an authorized legal entity that has owned, managed, and operated a
13 distillery in this state for at least twelve (12) consecutive months, shall receive a tax exemption on
14 the first fifty thousand (50,000) gallons of distilled spirits that it produces and distributes in this
15 state in any calendar year.

16 (e) A winery who makes wine in this state that is actively and directly owned, managed,
17 and operated by an authorized legal entity that has owned, managed, and operated a winery in this
18 state for at least twelve (12) consecutive months, shall receive a tax exemption on the first fifty
19 thousand (50,000) gallons of wine that it produces and distributes in this state in any calendar
20 year.

21 SECTION 2. This act shall take effect upon passage.

=====
LC002085
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO ALCOHOLIC BEVERAGES - TAXATION OF BEVERAGES

1 This act would exempt from the alcoholic beverage manufacturing tax the first fifty
2 thousand (50,000) gallons of wine produced by a winery in this state for distribution in Rhode
3 Island in any calendar year.

4 This act would take effect upon passage.

=====
LC002085
=====