

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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H.13: An act relating to miscellaneous amendments to alcoholic beverage and tobacco laws as amended by the House Ways and Means Committee.

Summary

The bill makes several changes to Vermont's alcoholic and tobacco laws. It changes the fines for various tobacco and alcohol related offenses, making them greater in most instances. The bill also changes the tax on spirits and fortified wines from a tiered rate structure based upon gross receipts to a 5% flat tax.

Fiscal Impact

The Joint Fiscal Office (JFO) estimates that the bill will have no fiscal impact on the General Fund in Fiscal Year 2020 and FY2021 relevant to current law.

Any potential revenue loss to the General Fund in FYs 2020 and 2021 is mitigated by language guaranteeing the year-end General Fund transfer from the Department at \$18.37 million in FY20 and \$18.74 million in FY21. This revenue would be augmented by an additional \$4.32 million in Liquor Tax revenue in FY20 (at the 5% rate), bringing total General Fund revenue produced by the Department to \$23.19 million in FY20 (\$18.37 million plus \$4.32 million). This is the same amount of revenue that would be sent to the General Fund under current law.

The bill also contains a number of increases to the fines associated with alcohol and tobacco related offenses. Revenue from these increased fines, which would be deposited into the Department's Enterprise Fund, is expected to be minimal.