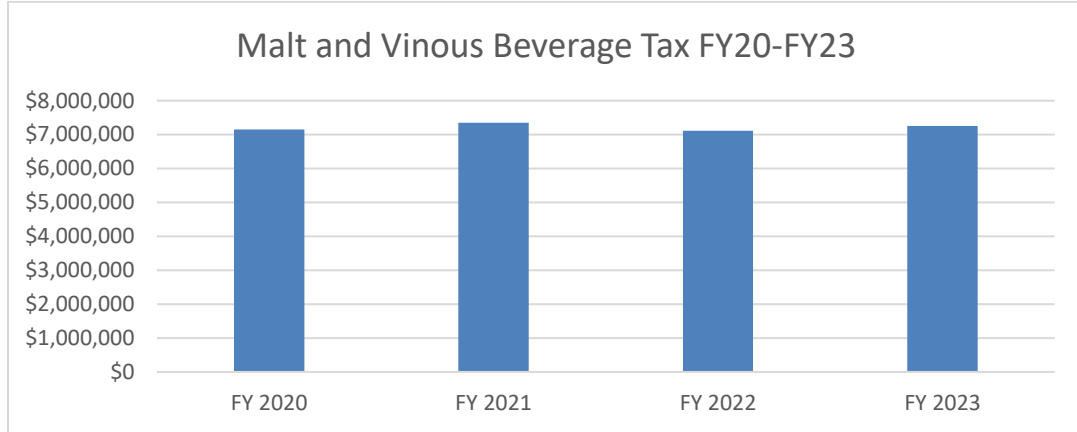


Malt and Vinous Beverage Taxes
 House Committee on Government Operations and Military Affairs
 Ted Barnett, Joint Fiscal Office
 February 28, 2024



Source: Department of Taxes

Malt and Vinous Tax Rate Analysis

	Gallons	Current Law Tax Revenue	Tax Revenue - 55 cents
Malt < 6% ABV, Cider < 7% ABV	13,286,199	\$3,520,843	\$7,307,410
Malt > 6% ABV, Cider > 7% ABV, Wine, and Other Vinous Beverages	5,576,719	\$3,067,195	\$3,067,195
RTD	*	*	*
Total	18,862,918	\$6,588,038	\$10,374,605
Adjusted Total	20,778,131	\$7,256,943	\$11,427,972

Source: Department of Taxes; JFO Analysis

- Effective July 1, 2023, the current law tax rates are
 - \$0.265 per gallon for malt beverages with a ABV <6%, and hard cider with an ABV <7%
 - \$0.55 per gallon for malt beverages with an ABV > 6%, hard ciders with an ABV with an ABV > 7%, and vinous beverages
 - \$1.10 per gallon for Ready to Drink Beverages (RTD)
 - All revenue flows to the General Fund
- There is not enough data to analyze the full impact of standardizing the Malt and Vinous Tax Rate at \$0.55 per gallon because there are not enough filers for Ready to Drink (RTD) beverages to have available data.
- However, the overall impact of standardizing rates at \$0.55 per gallon would likely be revenue positive, as the number of gallons currently charged the \$0.265 tax rate for lower alcohol malt and cider beverages is far greater than the potential revenue loss from lowering the RTD rate from \$1.10 per gallon to \$0.55 per gallon.