

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4726-02
Bill No.: HCS for HB 2065
Subject: Alcohol: Taxation and Revenue
Type: Original
Date: April 29, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Marketing Development	\$369,367	\$492,489	\$492,489
Missouri Wine Marketing and Research Development	\$5,750	\$6,900	\$6,900
Total Estimated Net Effect on <u>All</u> State Funds	\$375,117	\$499,389	\$499,389

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue**, the **Department of Agriculture**, and the **Department of Public Safety - Division of Liquor Control** indicated that they would not request any additional resources due to this proposal.

Officials of the Division of Liquor Control stated that they collected taxes on 8,208,143 gallons of wine in FY 2001. An additional six cents per gallon would have raised \$492,489, assuming that the additional tax would not have influenced sales of wine. They reported that 2,300 tons of grapes were harvested in FY 2001. An additional \$3.00 per ton would have raised \$6,900.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
MARKETING DEVELOPMENT FUND			
<u>Income</u> - Additional Charges on Wine Sales	\$369,367	\$492,489	\$492,489
ESTIMATED NET EFFECT ON MARKETING DEVELOPMENT FUND	<u>\$369,367</u>	<u>\$492,489</u>	<u>\$492,489</u>
MISSOURI WINE MARKETING AND RESEARCH DEVELOPMENT FUND			
<u>Income</u> - Additional Charges on Grape Production	\$5,750	\$6,900	\$6,900
ESTIMATED NET EFFECT ON MISSOURI WINE MARKETING AND RESEARCH DEVELOPMENT FUND	<u>\$5,750</u>	<u>\$6,900</u>	<u>\$6,900</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small business which sell (or buy) wine or produce grapes would be affected by this proposal.

DESCRIPTION

This proposal would add an additional three dollar (\$3.00) charge per ton of grapes or one hundred and sixty gallons of grape juice processed by commercial producers.

This proposal would also add an additional six cent per gallon charge for the privilege of selling wine in Missouri. This additional charge would be deposited to the credit of a separate account in the Marketing Development Fund and would be appropriated annually to the Missouri Department of Agriculture's division which is concerned the research and advisement of grapes and grape products. Moneys could be used to employ experts in the fields of viticulture (the study of grapes) and enology (the study of wine and the making of wine).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would affect Total State Revenue.

SOURCES OF INFORMATION

Department of Agriculture
Department of Public Safety - Division of Liquor Control
Department of Revenue



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