



**Fiscal Note Request HB0517, As Amended in Senate Committee**

(continued)

8. This bill imposes a 2% liquor license tax on the retail price of liquor sold and delivered in the state. This tax rate applies to companies that manufactured, distilled, rectified, bottled, or processed and sold less than 50,000 proof gallons of liquor nationwide in the previous calendar year. The current law rate is 8.6% on the retail price of liquor sold and delivered in the state by manufacturers of this magnitude.
9. Under current and proposed law, liquor excise tax on a distillery is 13.8% on in-state sales if nationwide sales were less than 200,000 proof gallons in the previous calendar year, 16% on in-state sales otherwise.
10. The department will develop a reporting form and the distillery will be required to complete the form by the 15<sup>th</sup> of each month. The report will include information on the amount of liquor sold and delivered by the distillery in the preceding month. Payment of tax on sale of distillery product is also due by the 15<sup>th</sup> day of the month following sale.
11. Penalty and interest provisions of 15-1-216, MCA will apply to delinquent tax payments.
12. There are no distilleries in the state. There are no manufacturers selling spirits in the state who sell less than 50,000 proof gallons nationwide. The department has no knowledge of any distilleries or small manufacturers planning to operate in the state.

**TECHNICAL NOTES:**

1. There are no provisions in the bill regarding the location of a distillery. Per 16-3-306, MCA a retail license may not be issued to an establishment selling liquor at retail that is located within 600 feet of a church or school. There are no provisions in the bill limiting the location of a distillery.