

Beer Tax (16-1-406, MCA)

1. Model Characteristics

- The model is based on historic production, collections and growth rates.

2. Model Data

- IHS Economics provides the Montana population over 20 years of age.
- The number of barrels produced is provided by the Department of Revenue.
- Historic and year to date revenues come from SABHRS.

3. Key Variables

- Montana population over 20 years of age.
- Barrels of beer consumed per person.

4. Other Important Points

- Per capita beer consumption decreased at an annual average of -0.78% between FY 2010 and FY 2014.
- The average tax rate per barrel decreased at an annual average of -0.52% between FY 2010 and FY 2014, due to an increased proportion of total barrel production by brewers producing less than 20,000 barrels annually, which are taxed at a lower rate.
- Sales from producers manufacturing fewer than 5,000 barrels were 4.44% in FY 2010, compared to 9.49% through January 2015.