

Liquor Excise and License Tax (16-1-401 and 16-1-404, MCA)

1. Model Characteristics

- The model forecasts revenue based on the number of bottles sold, and the average cost per bottle.

2. Model Data

- IHS Economics provides data for Montana population over 20 years of age and per capita income.
- Historic and year to date revenues come from SABHRS.

3. Key Variables

- Montana population over 20 years of age.
- Predicted cost per bottle is calculated using historic costs and applying a growth rate derived by a regression model.

4. Other Important Points

- Liquor bottles sold experienced an average annual increase of 3.41% between FY 2008 and FY 2014.
- Cost per liquor bottle sold experienced an average annual increase of 0.87% between FY 2008 and FY 2014.
- Commissions, discounts, cost of goods sold and operating expenses are calculated using simple historical growth rates.