

HOUSE BILL NO. 318
INTRODUCED BY S. FISHER

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE TAXATION OF BEER AND WINE; INCREASING THE TAXATION OF BEER ON A SLIDING SCALE BASED ON THE NUMBER OF BARRELS OF BEER BREWED ANNUALLY BY THE BREWER; INCREASING THE TAX ON A LITER OF WINE FROM 27 CENTS TO 47 CENTS; DEPOSITING THE AMOUNT FROM THE INCREASE IN BEER AND WINE TAXES IN THE STATE GENERAL FUND; REVISING THE DISTRIBUTION PERCENTAGES OF TAXES COLLECTED FROM BEER; REVISING THE DISTRIBUTION PERCENTAGES OF TAXES COLLECTED FROM WINE; AMENDING SECTIONS 16-1-406 AND 16-1-411, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 16-1-406, MCA, is amended to read:

"16-1-406. Taxes on beer. (1) (a) A tax is imposed on each barrel of ~~31 gallons~~ of beer sold in Montana by a wholesaler. A barrel of beer equals 31 gallons. The tax is based upon the total number of barrels of beer produced by a brewer in a year. A brewer who produces ~~less than~~ 20,000 barrels of beer or less a year is taxed on the following increments of production:

- (i) up to 5,000 barrels, ~~\$4.30~~ \$6;
- (ii) 5,001 barrels to 10,000 barrels, ~~\$2.30~~ \$10.60; and
- (iii) 10,001 barrels to 20,000 barrels, ~~\$3.30~~ \$15.20.

(b) The tax on beer sold for a brewer who produces over 20,000 barrels is ~~\$4.30~~ \$19.80.

(2) The tax imposed pursuant to subsection (1) is due at the end of each month from the wholesaler upon beer sold by the wholesaler during that month. The department shall compute the tax due on beer sold in containers other than barrels or in barrels of more or less capacity than 31 gallons.

(3) Each quarter, in accordance with the provisions of 15-1-501, of the tax collected pursuant to subsection (1), an amount equal to:

(a) ~~23.26%~~ 5.5% must be deposited in the state treasury to the credit of the department of public health and human services for the treatment, rehabilitation, and prevention of alcoholism and chemical dependency; and

(b) the balance must be deposited in the state general fund."

Section 2. Section 16-1-411, MCA, is amended to read:

"16-1-411. Tax on wine and hard cider -- penalty and interest. (1) (a) A tax of ~~27~~ 47 cents ~~per a~~ liter is imposed on table wine, except hard cider, imported by a table wine distributor or the department.

(b) A tax of 3.7 cents ~~per a~~ liter is imposed on hard cider imported by a table wine distributor or the department.

(2) The tax imposed in subsection (1) must be paid by the table wine distributor by the 15th day of the month following sale of the table wine or hard cider from the table wine distributor's warehouse. Failure to file a tax return or failure to pay the tax required by this section subjects the table wine distributor to the penalties and interest provided for in 15-1-216.

(3) The tax paid by a table wine distributor in accordance with subsection (2) must, in accordance with the provisions of 15-1-501, be distributed as follows:

(a) ~~69%~~ 82% to the state general fund; and

(b) ~~31%~~ 18% to the state special revenue fund to the credit of the department of public health and human services for the treatment, rehabilitation, and prevention of alcoholism and chemical dependency.

(4) ~~The~~ Except as provided in 16-2-301, the tax computed and paid in accordance with this section is the only tax imposed on wine and hard cider by the state or any of its subdivisions, including cities and towns.

(5) For purposes of this section, "table wine" has the meaning ~~assigned~~ provided in 16-1-106, but does not include hard cider."

NEW SECTION. **Section 3. Notification to tribal governments.** The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell band of Chippewa.

NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 2003.

NEW SECTION. **Section 5. Applicability.** [This act] applies to beer sold by a wholesaler and to wine imported by a table wine distributor or the department of revenue on or after July 1, 2003.

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