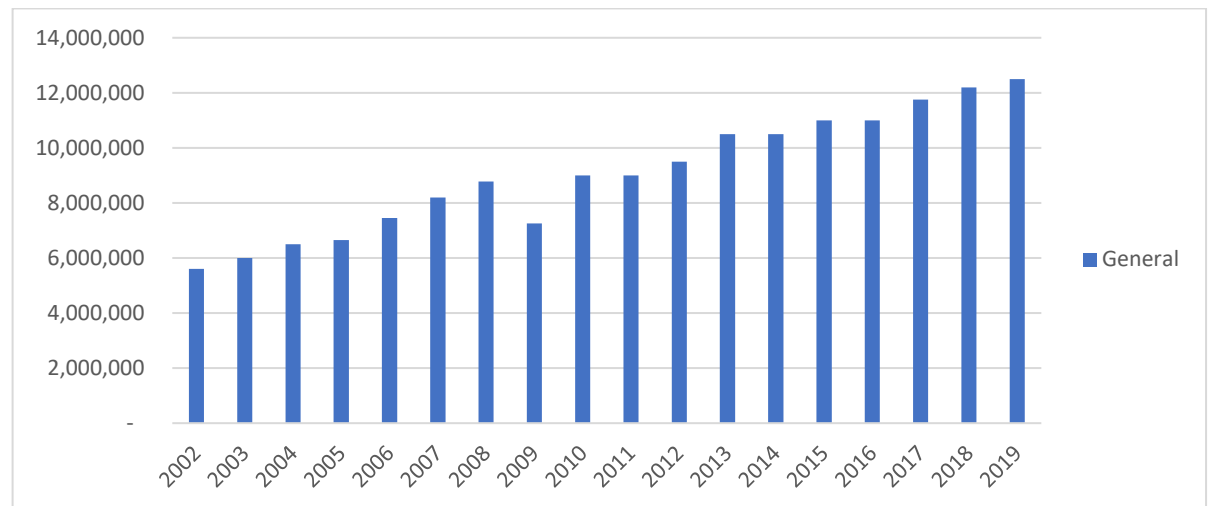


HJ 35: LIQUOR PROFITS

GENERAL FUND RANK: #16

REVENUE COLLECTION HISTORY



LIQUOR PROFITS OVERVIEW

All liquor produced in or brought into the state is subject to state markup. The liquor markup is reduced for a distillery that produces fewer than 25,000 proof gallons per year based on the percentage of Montana-produced ingredients used in manufacturing.

Liquor Markup		Percent of Montana-Produced Ingredients	Reduction in Markup
Liquor other than sacramental wine and fortified wine	40.5%	50% to 64%	50%
Sacramental wine	20%	65% to 74%	75%
Fortified wine	24%	75% to 100%	100%

DISTRIBUTION OF LIQUOR PROFITS REVENUE

Account	Amount
General Fund (after paying warehouse operating costs)	100%

MAJOR LEGISLATIVE ACTIONS, 2001-2019

Year	Bill	Description	Estimated General Fund Impact*
2011	<u>SB 215</u>	Provides for reduction in liquor markup for liquor made with Montana-produced ingredients	(\$49,755)
2015	<u>SB 193</u>	Sets liquor markups in state law instead of allowing the Department of Revenue to set them by administrative rule (increase from 40% to 40.5%)	\$387,170 (markup effect only, tax impact included on liquor taxes overview)

*General Fund fiscal impact is from fiscal note and is for first year in which legislation is fully implemented.