

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 7103

BILL NUMBER: HB 1544

NOTE PREPARED: Feb 2, 2023

BILL AMENDED: Jan 31, 2023

SUBJECT: Mixed Beverages.

FIRST AUTHOR: Rep. Jeter

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill adds a definition of "mixed beverage". It allows the holder of a wine wholesaler's permit to take certain actions concerning mixed beverages and flavored malt beverages. It provides that a wine wholesaler may possess, transport, sell, and deliver mixed beverages to a person who holds a particular permit. It also repeals a provision concerning a wine wholesaler that also holds a liquor permit.

Effective Date: July 1, 2023.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC):* The ATC would administer and enforce the bill's provisions allowing purchases and sales of mixed beverages by wine wholesalers. The bill's requirements are within the ATC's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues: *Alcoholic Beverage Tax:* The bill adds a definition for mixed beverage and allows wine wholesalers to sell mixed beverages to a liquor retailer, supplemental caterer, liquor dealer, liquor wholesaler, or wine wholesaler permittee. Currently, only liquor wholesalers can sell mixed beverages. To the extent the expanded distribution increases the number of mixed beverages sold, Alcoholic Beverage Tax revenue may increase by an indeterminate amount. However, the impact is likely to be small.

Alcoholic Beverage Tax on mixed beverages as defined in the bill is \$0.47 per gallon. Revenue is distributed to the following funds: General Fund (\$0.25), State Construction Fund (\$0.16), Enforcement and Administration Fund (\$0.11), and Addiction Services Fund (\$0.02). Of the amount distributed to the General Fund, 50% is allocated to cities and towns based on population.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Alcoholic Beverage Tax:* To the extent Alcoholic Beverage Tax revenue increases, distributions to cities and towns would increase. [See *Explanation of State Revenues.*]

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: Cities and towns.

Information Sources: Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2022. <https://iga.in.gov/legislative/2023/publications/handbooks/>.

Fiscal Analyst: Nate Bodnar, 317-234-9476.