



OLR RESEARCH REPORT

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SUMMARY OF THE GOVERNOR'S ALCOHOL PRICING BILL (HB 6361)

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You asked for a summary of the Governor's bill: *An Act Concerning Fair Alcohol Pricing* (HB 6361).

SUMMARY

This bill allows package stores to sell liquor and wine at a lower price, by allowing them to sell at their actual acquisition cost, rather than the wholesaler's posted bottle price plus delivery costs, as under current law. The acquisition cost is always lower than the posted bottle price. The bill does not affect minimum pricing for beer.

Liquor and wine pricing vary greatly. The percentage difference between bottle price and the actual cost varies from brand-to-brand and month-to-month. Even the same brand's percentages vary depending on the month or bottle size.

MINIMUM BOTTLE

Current law generally prohibits package stores from selling liquor and wine below a wholesaler's minimum bottle price plus shipping and handling ([CGS § 30-68m\(a\)](#)). The bill would instead prohibit them from selling below their actual cost per bottle plus delivery costs.

Currently, “bottle price” means the price of a bottle of liquor or wine, determined by dividing the case price by the number of bottles and adding two, four, or eight cents depending on the bottle size ([CGS § 30-68m\(b\)](#)).

PRICE VARIATION

The percentage difference between bottle price and the actual cost varies from brand-to-brand and month-to-month. Even the same brand’s percentages vary depending on the month or bottle size.

Table 1 shows the differences between the bottle price and actual cost between different brands of vodka.

Table 1: Vodka Comparison (750 mL Bottles)

	<i>Absolut</i>	<i>Belvedere</i>	<i>Grey Goose</i>	<i>Skyy</i>	<i>Smirnoff</i>
Actual Cost	\$18.91	\$22.91	\$27.91	\$15.41	\$14.91
Bottle Price	19.99	28.99	29.99	15.49	14.99
Difference/ Percent Change	1.08 (5.71% more)	6.08 (26.54% more)	2.08 (7.45% more)	0.08 (0.52% more)	0.08 (0.54% more)

Source: Connecticut Beverage Journal, April 2012

Table 2 shows Belvedere Vodka prices for the different bottle sizes.

Table 2: Belvedere Vodka (80 Proof)

Bottle Size	Actual Cost	Bottle Price	Difference/Percent Change
1.75L	\$44.91	\$49.99	\$5.08 (11.31% more)
1L	30.71	32.99	2.28 (7.42% more)
750mL	22.91	28.99	6.08 (26.54% more)

Source: Connecticut Beverage Journal, April 2012

Table 3 shows a \$6 difference in the actual cost of Belvedere Vodka in April and May, with the minimum bottle price remaining the same.

Table 3: Belvedere Vodka (80 Proof, 750 mL (Different Months))

	Actual Cost	Bottle Price	Difference/ Percent Change
April 2012	\$22.91	\$28.99	\$6.08 (26.54% more)
May 2012	28.91	28.99	0.08 (0.28% more)

Source: Connecticut Beverage Journal, April and May 2012

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